

MORE IMPACT TOGETHER

ANNUAL REPORT 2023



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The original annual report were drafted in Dutch. This document is an English translation of the original. In the case of any discrepancies between the English and the Dutch text, the latter shall prevail.



Cover page

WattHub is the first fast charging facility for heavy construction equipment in the Netherlands. It is an innovative result of the collaboration between Dura Vermeer and chain partners Ploegam and Van Oord. As the Mekante Diek combination, we are carrying out the Tiel-Waardenburg dyke reinforcement project, where WattHub makes emission-free work possible.

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FOREWORD

2023 was another turbulent year, in which unexpected events in geopolitics, economics and in our own construction industry caused a range of challenges. In spite of this, it was a good year for Dura Vermeer, thanks in part to the agility of our organisation and the commitment of our employees.

For Dura Vermeer, safety is a top priority. We want everyone, every day, to be safe and sound coming to work and going back home. Our investments in this are increasingly bearing fruit. As we have paid more and more attention to safety over the years, safety awareness has greatly increased and the IF rate - the accident frequency index - has fallen sharply. Nevertheless, there were some accidents and near misses in 2023 that we must learn from. No fatal accidents occurred in 2023, but there were serious incidents on some of our projects. That is why we have invested heavily in the industry-wide Safety in Procurement (ViA) agreement from the Governance Code Safety in Construction. Safety is closely linked to behaviour and culture in the chain, which is why we continue to work hard on safety awareness among our employees as well as our clients, contractors and suppliers.

Our results in 2023 were good, despite the many challenges. The war in Ukraine led to price increases in energy and building materials, high inflation and rising interest rates in 2022. In 2023, these rises persisted, and uncertainty also grew after the fall of the Rutte IV government. Varying government policies, with an accumulation of new measures combined with further interest rate rises, sluggish spatial planning procedures, a lack of policy capacity and nitrogen measures failing to materialise translated into investor caution and a more negative sentiment in the residential and non-residential construction markets. Turmoil is growing on the world stage, causing geopolitical shifts, with potentially more implications for our industry. Thanks in part to our strategic choices, we managed to weather the challenging conditions in 2023.

In the Construction and Property Division, the turnover and results fell. The decline is easy to explain. Both home sales and housing production lagged behind previous years. One of the reasons was the rise in interest rates, which meant buyers could spend less on a home and investors were reluctant to part with their money. Time-consuming spatial planning procedures and objection procedures, increased construction and land costs, and lack of capacity at local and regional authorities limited the ability to speed up developments. We were able to offset the decline in turnover and results in residential

construction with other activities, partly in the Construction and Property Division, but mainly through growth in our Infrastructure Division. The situation may improve (somewhat) if the new government actually starts taking urgent measures to boost housing construction and interest rates remain stable or start falling. Despite the disappointing housing market, we continued to invest in land positions in order to be prepared for the future.

The infrastructure sector faced restrictions on the construction of new roads and waterways, but this freed up government budgets for replacement and refurbishment as well as for maintenance work. Once again, we have been very active in rail infrastructure and the water segments, which had a positive impact on our turnover and results. Our Infrastructure Division offset the decline of the Construction and Property Division in both revenue and earnings in 2023.

The equity interests we acquired in the Engineering Division performed well. Building their own operations takes time, but we will continue to invest in them. Cooperation between the different divisions is important and is going well. Electrical and mechanical engineering is a key component especially in replacement and refurbishment projects. We are also seeing new opportunities in the growing need for more sustainable and digital solutions.

In order to attract and retain top level professionals, we are constantly working to bring about a working environment that does justice to everyone, and respects both the team and the individual. The tightness in the labour market is continuing unabated. In response to this, Dura Vermeer will keep investing in recruitment, including our new labour market campaign 'More Dura Vermeer'. We also paid a great deal of attention to diversity and inclusiveness. In 2023, the cultural diversity baseline measurement was performed, allowing us to measure our performance on this issue as of 2024, in addition to gender diversity. We are proud of the Diamond Award from Talent to the Top, which we won for our efforts on gender diversity. We are also pleased with the results of our employee satisfaction survey, which showed that no less than 98% of those who took part would recommend us to others as an employer.



“I am proud of how we have tackled the opportunities and challenges in 2023”

Job Dura
Chairman of the Management Board

Corporate sustainability (ESG) is high on our agenda and is also receiving plenty of attention in society. Clients are increasingly and emphatically asking for it. Within our Sustainability innovation ambition, we have placed enhanced focus on climate mitigation in 2023. The central goal is zero CO₂ emissions by 2050. To achieve this, we have outlined the 'Towards Net Zero' strategy. Impact areas were determined for each division and roadmaps drawn up. As we share this strategy within and without our company, we find that passions for and commitment to this issue are growing throughout the chain.

Digitalisation is gaining importance in our industry. We embrace new developments like Artificial Intelligence to further improve our quality and work more efficiently. We also remain active in the field of innovation. For example, we are investing heavily in electrifying our equipment; we are the frontrunner in the industry in this regard. We also pay a great deal of attention to knowledge and skills in the area of circularity, such as of circular asphalt, 3D-printed concrete and reuse of materials. With our NEXT business units we participate in start-ups to accelerate innovation. Our employees are also pitching in with great ideas, which we encourage with our biennial Dura Vermeer Innovation Award.

We changed our organisational structure with effect from 1 January 2024, creating a flatter organisation with a smaller Management Board and direct representation of the divisions. We expect this to enable us to operate more flexibly, faster and more entrepreneurially and thus help us to remain successful. In this context, Ronald Dielwart stepped down as a member of the Management Board and chairman of the Construction and Property Division with effect from 1 January 2024. Ronald has worked at Dura Vermeer in various roles for over 25 years, contributing

significantly to the growth of the construction and property business. We are grateful to Ronald for his professionalism and collegiality and for everything he has done for Dura Vermeer.

In mid-2023, we said goodbye to Dick van Well, the vice-chairman of our Supervisory Board. He has been associated with our company since 1973, starting out as a work organiser and rising to chairman of the Management Board from 1998 to 2010. He remained involved with Dura Vermeer from 2011 to mid-2023 as a supervisory director. We are very grateful to him for his dedication, commitment and advice over all these years.

We were proud to learn that we achieved first place in the Cobouw Reputation Monitor. This monitor examines the fifty biggest builders on issues such as name recognition, cooperation, company positioning and market position. Having weathered the storms of the past few years, we head into 2024 with confidence. This is possible thanks to the professionalism, boundless commitment and agility of our employees, who realise so many great projects together. I am very grateful for that.

I would like to thank our clients and partners for their trust in Dura Vermeer. Together with them, we will make more impact on a safer working environment, reduced CO₂ emissions and valuable contributions to the Netherlands, both today and in the future.

Rotterdam, 5 March 2024

Job Dura

Chairman of the Management Board,
Dura Vermeer Groep NV

IN BRIEF

FOUNDED IN 1855

In 1855, Dura opened its first carpentry shop on Rotterdam's Katendrecht and Vermeer started a road building company in Cruquius in 1961. In 1998, we merged to form Dura Vermeer, an independent construction company active in the Netherlands.

CORE ACTIVITIES

Designing, developing and realising construction and infrastructure projects including management and maintenance, renovation and transformation.

MISSION AND VISION

We are a reliable, long-term partner in the realisation of a high-quality and sustainably built environment, made for and by people.

CORE VALUES

In our work our core values are fundamental: safety, quality and reliability.

SAFETY IS OUR NUMBER ONE PRIORITY

Safety is our top priority. Our motto is: we either work safely, or not at all.



KEY FIGURES 2023



OPERATING INCOME
(amounts x € 1 million)

1,884

**CO₂ EMISSIONS REDUCTION
(SCOPE 1, 2 AND 3)**
(reduction compared to 2022)

5.6%



AVERAGE NUMBER OF FTEs

3,073

SCHEDULED WORK
(amounts x € 1 million)

4,269



IF RATE

1.36

GENDER DIVERSITY

24.1%

NET PROFIT
(amounts x € 1 million)

51.4 (2.7%)

SOLVENCY

30.5%



**ENVIRONMENTAL
PERFORMANCE OF BUILDINGS**

0.64

MILESTONES 2023

In 2023, we realised many great projects and took important steps towards realising our strategic ambitions. In this overview, we highlight some of them.



16 JANUARY

Multiple nominations for the InfraTech Award

Dura Vermeer is nominated for circular innovations Circularpave, De Circulaire Passage and Liggers 2.0.

18 JANUARY

Jansma Drachten joins up with Dura Vermeer

With the acquisition of Jansma Drachten, Dura Vermeer expanded its national coverage and strengthened its infrastructure operations in the northern Netherlands.



10 MARCH

A16 viaduct slides across Terbregseplein

As part of the De Groene Boog project, we moved a viaduct into place that will link the new sustainable A16 to the existing A16.

29 MARCH

Safety Day

Safety is always Dura Vermeer's number one priority. On Safety Day, we focused on it in detail.

17 JANUARY

Dura Vermeer is awarded Top Employer Certificate

The independent Top Employers Institute awarded us the Top Employer certificate for the second year running.

9 MARCH

New labour market campaign MORE

With our MORE campaign, we are boosting our search for new colleagues to fill our vacancies.

22 MARCH

Dura Vermeer launches sustainability strategy Towards Net Zero

We committed ourselves to zero emissions by 2050. We will involve the entire chain in this, because we can only speed up the process together.



7 APRIL

Dura Vermeer awarded Diamond Award for diversity

The independent Talent to the Top Monitoring Committee rewarded us for our commitment to diversity.



21 + 26 SEPTEMBER

King opens projects

King Willem-Alexander opened fast-charging plaza WattHub in Geldermalsen and the new hospital Tergooi MC in Hilversum.

8 NOVEMBER

Nexton and Dura Vermeer celebrate one year partnership

Nexton, a group of engineering companies, and Dura Vermeer's Engineering Division celebrated a successful first year.

12 NOVEMBER

Dura and Vermeer: a quarter century together

Dura and Vermeer merged exactly 25 years ago, laying the foundation for the strong company that Dura Vermeer is today.

14 DECEMBER

Dura Vermeer launches Aer, a new housing concept

With the bio-based, industrial and circular housing concept Aer, Dura Vermeer is giving room to innovation and sustainability.



4 JULY

Dura Vermeer Innovation Award 2023 finals

At our biennial award, three innovative ideas win for Net Zero, which we will follow up with our partner YES!Delft.



23 OCTOBER

Japanese-style demolition at Blaak 333

In Rotterdam, Blaak 333 is demolished the Japanese way: using mainly the building itself and as little space around it as possible. 30% of new construction will be affordable housing.

26 OCTOBER

Leen van Egmond celebrates 50 years of service!

In 1973, Leen started as a 15-year-old trainee machine operator with what was then still Piet Vermeer.



24 NOVEMBER

Dura Vermeer has best reputation in construction

In the Cobouw Reputation Monitor, we emerged as the construction company with the greatest reputation. It is an affirmation of the ambitions we are committed to every day.



DURA VERMEER

ABOUT DURA VERMEER

Profile

Dura Vermeer is a family business whose roots go back to 1855. We are an independent construction company active in the Netherlands. Our independence and long-term continuity form the basis of our strategy. With nearly € 1.9 billion in revenues and over 3,400 employees (3,073 FTEs), we are among the top players in the Dutch construction industry. We are active in residential and non-residential construction, infrastructure and technical installation. Our core activities include the design, development and realisation of construction and infrastructure projects, including management and maintenance, renovation and transformation.

Dura Vermeer is headquartered in the Cornerstone building in Rotterdam, opposite the entrance to Rotterdam The Hague Airport.

Our projects are often complex, and safety, quality and project management are of crucial importance. Key features of Dura Vermeer are its solid financial basis and its open and reliable style of doing business. That is what our clients identify with. We are helping to build a world in which future generations will also be able to work and live. This crucially requires that we listen to our stakeholders and take their feedback to heart, and that we are agile and respond promptly to new developments.

Mission and vision

The construction industry is going through a transformation: the importance of working sustainably is greater than ever, the role of digitalisation has skyrocketed and demand for high-quality technology has increased sharply. This is resulting in new working methods and new forms of customer relations and partnerships. New revenue models are also emerging. Dura Vermeer wants to lead and help shape innovation. And we are doing this in our approach, our choices and our working methods. Based on the strength of the family business that we are and the independent position that we have, we embrace these changes to ensure the continuity of our company and to add value to Dutch society. We are a reliable, long-term cooperation partner in the realisation of a high-quality and sustainably built environment, made for and by people.

Core values

As a family business, we always focus on the long term and attach great value to good relations with our employees, customers and partners. Equally important to us is our connection with society as a whole: the users and the people who live close to our projects. In our relationships and our work we always act with our core values firmly in mind, with safety as our number one priority.

Our core values are:

1. Safety

To Dura Vermeer, safety means ensuring that everyone can travel safe and sound to work and back home every single day. We are creating a lasting safety culture and work constantly to increase the safety awareness of our employees as well as our partners. Being proactive and taking responsibility are key in this. To achieve it, we have an integrated security programme consisting of four pillars: Site Safety, Environmental Safety, Structural Safety and a Proactive Safety Culture.

2. Quality

Quality lies in our people, in how we realise our projects and the standards we use and impose on ourselves. In the materials we use. In the results we deliver: building quality, environmental quality and quality in use and experience value. In this, we want to remain leaders.

3. Reliability

Our clients recognise us by our reliable and transparent way of doing business. Reliability means being sincere and doing what we promise. We know what our responsibility is and we take it. In our collaboration, we are agile, proactive, transparent and ethical. We are a cooperation partner you can rely on and build on.

OUR PROJECTS CONSTRUCTION AND PROPERTY



GROTE BÉER | ROTTERDAM



POLITIEHUB | UTRECHT



DE NIEUWE VOGELBUURT | VLAARDINGEN



WEENER XL | 'S-HERTOGENBOSCH



VREEWIJK BUURT 9 | ROTTERDAM



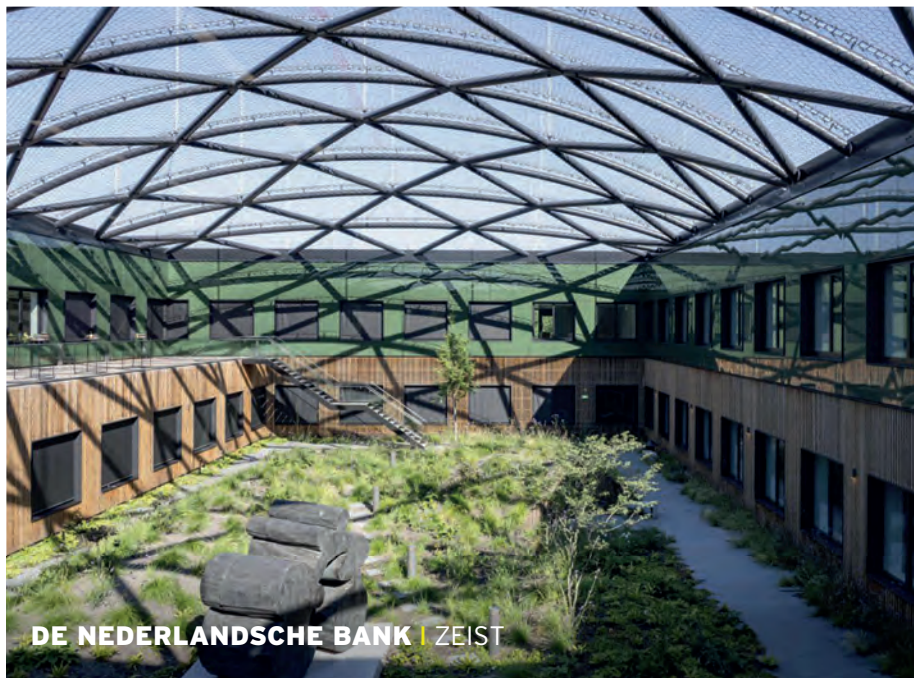
ALLIANDER | AMSTERDAM



DE BREDE SCHOOL | DIEMEN



SMARTDOCK | HAARLEM



DE NEDERLANDSCHE BANK | ZEIST



ITC LANGEZIJD, UNIVERSITEIT TWENTE | ENSCHEDE

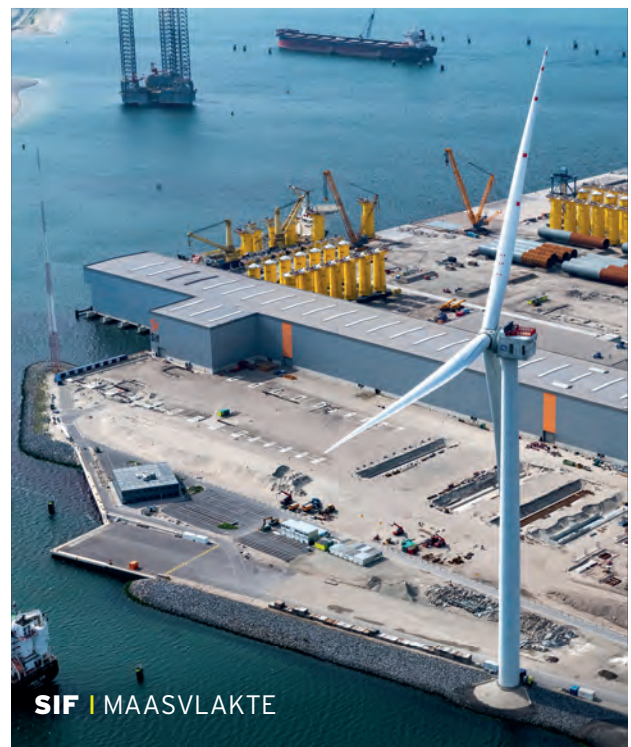


HOF VAN DESCARTES | AMSTERDAM

OUR PROJECTS INFRA



PERRON 4 | TILBURG



SIF | MAASVLAKTE



STRANDEILAND IJBURG | AMSTERDAM



HOOG BUREL | APELDOORN



MAASTRICHT AACHEN AIRPORT | MAASTRICHT



STENENDIJK | HASSELT



HEINENOORDTUNNEL | BARENDRECHT



WATTHUB | GELDERMALSEN



UITHOORNLIJN | UITHOORN



TERREININRICHTING MRIJA | VLAARDINGEN

OUR PROJECTS

TECHNICAL INSTALLATION





OUR ROLE

Our role in the construction chain

As a construction company, we are part of the construction chain. Dura Vermeer often takes on the role of director in the chain. To be able to direct the chain successfully, cooperation is a prerequisite. This applies to logistics, to safety and to working conditions on the construction site. Sustainability and innovation are also important for our role as director in the chain. We impose requirements on suppliers and contractors in these areas.

As a main contractor in the construction chain, Dura Vermeer designs, develops and realises projects in construction, mechanical and electrical engineering and infrastructure, including management and maintenance, renovation and transformation for various clients in the Netherlands. This includes transport of required materials to the site and on-site construction logistics. We often realise construction projects together with partners, fellow construction companies, developers, housing associations or investors. Other partners we collaborate strategically with are young innovative companies.

Our supply chain consists of our contractors and suppliers of building materials. As a construction company, we use steel, timber, concrete, bitumen and system components in our projects. We source our materials from suppliers at home and abroad, where possible from Europe, including from the Netherlands, Germany, Spain, Luxembourg and Scandinavia, but also from outside Europe (Asia). Our understanding of our supply chains is deepening. Due to geopolitical and legislative and regulatory developments, this is also increasingly necessary

On page 21 we describe the activities, products and services, clients, employees and turnover of each of our divisions.

When buildings or structures reach the end of their lifespan, we look at the extent to which parts can be reused in new projects. This is where our company Urban Miner plays an important role.



Our activities

Current activities

Our company has three divisions: the Construction and Property Division, the Infra Division and the Technical installation Division. These divisions are supported in their day-to-day work by the Group, which includes the Communications, Finance & Control, HR, ICT, Legal and Risk & Insurance departments. They also receive support from our facilities companies: Materieel, Autobeheer and Onroerend Goed. With our divisions that comprise over twenty independent operating companies we combine strong regional roots with the knowledge, strength and resources of a company that operates nationwide.

New activities

In 2023, Dura Vermeer took or expanded stakes in a number of innovative and sustainable companies.

As of 2023, Dura Vermeer's Technical installation Division has a 75% stake in Nexton, a group of independent engineering companies focusing on consultancy, design, product development, execution and maintenance of (building-related) systems. During the year, Nexton realised its growth ambitions and, as a result, the Technical installation Division also grew.

Dura Vermeer has set up an entity with Ploegam and Van Oord from the project combination Mekante Diek to enable emission-free construction. Together with partner Betuwewind, they have realised a fast-charging facility called WattHub. This is the world's first fast-charging facility where electric trucks and batteries for heavy construction machinery can be charged with sustainable electricity from wind farm Betuwewind.

Jansma Drachten has been relaunched under the wings of Dura Vermeer. On 17 January 2023, we acquired several ongoing projects and debtors from this Frisian infrastructure specialist. The company will continue under the name Dura Vermeer Jansma, keeping the vast majority of the employees on. With this acquisition, we further expand our national coverage and strengthen our infrastructure operations in the north of the Netherlands.

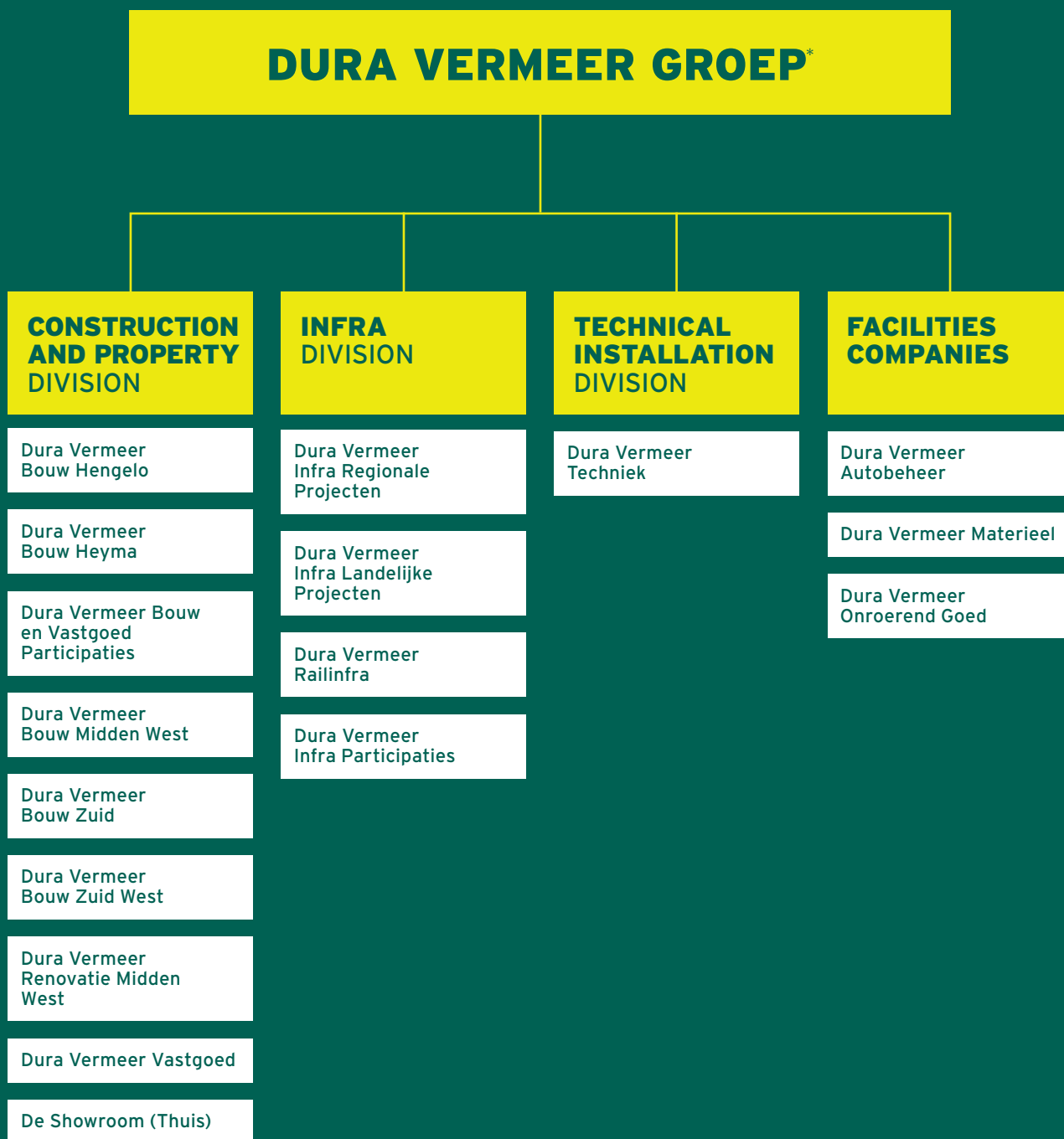
The acquisition of Nexton has strengthened the foundations of the Technical installation Division

In November 2023, Dura Vermeer increased its stake in almost 100-year-old family-owned Millenaar & Van Schaik Transport to 16.67%. The company specialises in transporting asphalt. Together with Millenaar & Van Schaik and the other construction companies BAM, Heijmans and Versluys that have stakes in it, we continue to work on making construction logistics in the Netherlands more sustainable.

Dura Vermeer and Van Doorn have jointly set up Via Robotica, a company focusing on sustainable autonomous lawn mowing. The parties each have a 50% stake in the company. Dura Vermeer and Van Doorn specialize in, among other things, asset management and the maintenance of green spaces. Thanks to Via Robotica, they bring this knowledge and expertise together in one place and are committed to mowing the lawns of the future.

On 5 January 2024, Dura Vermeer acquired 100% of the shares and voting rights of Boersema Installatie Adviseurs so as to strengthen its Technical installation Division. This Amersfoort-based company had been operating as a consultant and independent designer of technical systems in residential and non-residential buildings since 1994. Its broad expertise in technical systems is used in offices, schools, hospitals, pharmaceutical companies, industry, homes and museums. Robust design, energy-neutral thinking and material use based on circularity are the parameters of its design work.

OUR ORGANISATION



* The organisation chart above includes only the wholly-owned subsidiaries.

CONSTRUCTION AND PROPERTY DIVISION

OPERATIONS

The Construction and Property Division develops, builds and transforms and sells for its own account and risk and for third parties. The division develops and builds homes and apartment complexes. The Construction and Property Division is also active in the development, construction and/or transformation of offices, schools, hotels, hospitals and laboratories. Finally, refurbishment contracts, from foundation repair to renovating neighbourhoods and even entire residential districts and making them more sustainable, fall within the scope of the work. A comprehensive approach is the norm.

CLIENTS

The division works mainly for investors, healthcare and educational institutions, the Rijksvastgoedbedrijf (Central Government Real Estate Agency), developers, social housing associations, municipalities, private companies and private individuals.

EMPLOYEES

(fte)

1,144

REVENUES

(amounts x € 1 million)

941

INFRA DIVISION

OPERATIONS

The Infra Division designs, builds, manages, maintains and renovates roads, bridges, tunnels and dykes. With the rail business, the Infra Division lays new tracks and renews tracks for light rail and trains heavy rail. With ASSET Rail and Saferail, this division is also responsible for track maintenance and a safe workplace on and around the track, respectively. It is also involved in energy-related projects such as onshore wind farms. In ports and industrial areas, the division designs and supplies loadbearing structures for process installations, such as sites with heavy loads and in factories and distribution centres. In partnership with various specialist companies, the Infra Division has the knowledge and expertise to take on complete projects.

CLIENTS

The division works largely for public authorities such as Rijkswaterstaat, ProRail, provinces, municipalities and water boards. The division also works for semi-governmental organisations, including the Port of Rotterdam Authority and Tennet, as well as for private companies in port areas.

EMPLOYEES

(fte)

1,551

REVENUES

(amounts x € 1 million)

874

TECHNICAL INSTALLATION DIVISION

OPERATIONS

The Engineering Division operates as a total engineering design company that handles the full scope of the design and implementation of engineering services in projects on a risk basis. The actual implementation is carried out by contractors who are contracted and coordinated by the Engineering Division's project management team. Through its equity interests BRControls and Van Vuuren Techniek the division also implements its own projects.

CLIENTS

In 2023, the division worked partly with and for the other divisions, and through its equity interests in Nexton, BRControls and Van Vuuren Techniek for various private and public clients.

EMPLOYEES

(fte)

273

REVENUES

(amounts x € 1 million)

78



OUR ENVIRONMENT AND OUR STRATEGY

TRENDS AND DEVELOPMENT

The world around us is changing rapidly. We are seeing complex challenges: scarcity, the energy transition, climate change and social inequality. Such complexity is the consequence of multifaceted changes in different domains. This requires new types of solutions. We can guarantee the best solutions for tomorrow by choosing answers today that take account of everyone's future

We are constantly checking out trends and developments that may be relevant to our business. This chapter covers the main challenges and opportunities.

They concern the following topics:

- The increased rate of climate change, declining biodiversity, rising water levels and declining surface water quality.
- The scale of the energy transition challenge associated with climate change.
- The nitrogen issue.
- Increasing geopolitical uncertainty resulting in lower availability and affordability of raw materials.
- Increasing shortage of (affordable) housing due to demographic trends.
- Overdue maintenance and ageing infrastructure.
- A tight labour market and a changing workforce.
- Far-reaching digitalisation and technological capabilities.
- Hardening of the public debate and deepening divisions in society.
- Increased juridification

Climate change

The effects of climate change are becoming unmistakable throughout the world. In the Netherlands, summers are warmer and drier, but at the same time, precipitation can sometimes be very intense, which can lead to high water levels and flooding. Land subsidence and salinisation are also significant features. In 2015, the Dutch government committed itself to the targets of the Paris climate agreement for reducing greenhouse gas emissions, including CO₂. The Dutch Climate Agreement stipulates that a 49% reduction in carbon emissions compared to 1990 must be achieved by 2030. The EU has raised this percentage to 55% and the Rutte IV government aimed for 60%. The new government will follow this up in 2024. By 2050, greenhouse gas emissions must be reduced by 95%. To meet these climate targets, emissions need to be reduced further.

The Netherlands is combating the impact of climate change, for example by strengthening dykes to prevent flooding. The High Water Protection Programme (HWBP), which is part of the Water Safety Delta Programme, aims

to strengthen 1,500 kilometres of dykes and 500 locks and pumping stations over the next 30 years. Rivers are also being widened and places are being designated for water storage, because at peak times huge amounts of water flow into our country from the hinterland. In climate change adaptation, greenery is an important element. This is reflected in what is referred to as nature-inclusive building, which helps raise the built environment's resilience in the face of increased heat, drought, flooding and biodiversity loss, but at the same time also benefits public health.

Energy transition

The energy transition is necessary because of the consequences of climate change. We need to move from fossil fuels to renewable energy sources to reduce greenhouse gas emissions. The construction industry plays a major role in the energy transition. The agreements made in the Climate Agreement require a transition in how energy is generated, distributed and used. The construction sector is contributing to this by making over 7.5 million existing homes and buildings more sustainable, constructing energy-efficient and natural gas-free new homes and building new energy infrastructure.

Nitrogen

The industry, traffic, animal husbandry and construction in particular cause harmful nitrogen compounds that precipitate in nature. Nitrogen deposition disturbs the natural balance of flora and fauna and negatively affects biodiversity. Because we depend on nature for our living environment and food production, a nature permit or another form of licence is required for activities that release nitrogen in or near Natura 2000 sites.

Since the Council of State declared the nitrogen deposition calculation method invalid in 2019, there have been many delays in construction and, in 2023, the construction of certain roads and waterways was even halted. In July 2021, the Nitrogen Reduction and Nature Improvement Act (Nitrogen Act) came into force. Part of this act was the 'exemption for construction, demolition and one-off building projects', or construction exemption for short. It meant that only the nitrogen deposit in the use phase would be counted in the permit procedure; due to changed economic conditions, there often was no longer a viable business case and therefore there was a serious risk of projects being delayed or postponed.

Availability and affordability of raw materials

The supply of non-renewable raw materials is dwindling. This raises the urgency of reusing raw materials as often and in the highest quality possible. By 2030, the Netherlands aims to use 50% less primary raw materials (minerals, metals and fossil) compared to 2014. By 2050, the Netherlands wants to be completely circular. This has been laid down in the Raw Materials Agreement. As a result, the government is increasingly making circularity a requirement in tenders. A surge in demand for circular construction is also expected in the market.

Circular construction starts at the design stage. Designs can be based on available materials harvested and processed from previous projects, rather than materials being modified or produced based on the design. This can only be achieved by working together within the chain. To reuse materials, they must be earmarked and recorded in shared databases. Processing and reusing end-of-life materials, such as used asphalt, is also promising.

Resource availability also affects costs. After the surge in 2022, construction prices continued to rise for some time in 2023. The war in Ukraine is still having a major impact on the industry, first and foremost due to higher energy prices, which affect building materials' production costs. There is also a shortage of raw materials, a large proportion of which comes from Ukraine and Russia, such as metals and lumber. Increasing demand for building materials also helped to push up prices. This was especially true for materials used to make homes and buildings more sustainable. Inflation, which was particularly high in the first few months of 2023, is also affecting the construction industry. As a result of high prices, construction projects are becoming more expensive just as demand for more affordable housing is increasing.

Complex challenges are at play that require different kinds of solutions

Availability and affordability of residential housing

Pressure on the housing market remains very high. The shortage of affordable housing is particularly worrying. First-time buyers are struggling more than ever, as higher mortgage rates and energy prices strongly affect buyers' budgets and hence the affordability of houses.

The government's stated ambition for housing could not be realised due to several different factors. First, sluggish permit issuing procedures. These are due to the lack of capacity of municipalities to issue permits to develop sites and due to nature and nitrogen regulations. Rent regulation, capping the rent index, also plays an important role, as it deters investors. High prices of construction sites, materials and raw materials also play a role. As a result, housing production and sales lag behind the desired number. In particular, affordable housing, of which there is a huge shortage, is hard to come by because of high land prices and construction costs. The cancellation of the landlord levy with effect from 2023 has provided some relief, but the other factors weigh so heavily on the market that the effect has been very limited. The brake on road construction is also affecting housing development, as new sites cannot be made accessible. Grid congestion is also an inhibiting factor, as in several places complexes cannot be connected to the grid.

A positive development is the Startbouwimpuls (SBI) and Woningbouwimpuls (WBI) introduced by housing minister De Jonge. The SBI and the WBI provide financial support for projects whose planning is far enough advanced to start construction in 2024 or 2025, but which due to changing economic conditions are no longer financially viable and therefore risk being delayed or postponed.

Ageing infrastructure

The 1960s and 1970s saw a major expansion of infrastructure in our country. Roads, bridges and viaducts were built at that time for usage levels that were far lower than proved to be the case later on. This infrastructure is nearing the end of its lifespan and major interventions are needed. The infrastructure replacement and refurbishment market is expected to roughly double in the near future. This will also lead to increased demand for asset management and operation and a greater need for knowledge about them. The scale of the infrastructure works requires additional budget and manpower.



Labour market developments

After the corona pandemic, the economy bounced back, resulting in many sectors needing more staff. Demand for personnel in the construction industry is very high indeed, both on the operational side and in middle and senior management. Statistics Netherlands (CBS) estimates that this affects three quarters of all construction companies. Apart from economic growth, the growing population, sustainability projects, the current housing shortage, the ageing workforce and the lagging numbers of graduates in engineering and implementation are key factors for construction.

Attention for inflow, advancement and retention of staff through training and development is important to limit staff shortages. Digitalisation and robotisation can also contribute, although humans will remain indispensable in the construction process.

Because of the urgent social interest and focus on equality of people from different (cultural) backgrounds and beliefs, diversity and inclusion are also high on the agenda in many companies' policies. This is important for the employees themselves, because there is more room for issues like culture and sexual orientation, but also for companies' results and performance, which go up with greater diversity and inclusion.

Technology and digitalisation

Digitalisation has become an integral part of the construction industry. It is a response to the growing shortage of skilled workers, higher client expectations and operational excellence (increased efficiency and reduced probability of errors). Unlocking data drives opportunities for strategic control and makes collaboration easier. Capturing data in one place and making it accessible to the whole chain also has a wealth of benefits, such as speed and cost reduction.

Numerous technologies can be deployed in the sector to support the primary construction process, such as sensors, drones and robots. In 2023, the development of artificial intelligence (AI) took flight, and it is already being used in construction, for example for improving safety by detecting dangerous situations and using AI to train employees on safe working methods. Processes can be made more efficient by automating tasks such as scheduling and inventory management. This also combats waste and reduces waste generation. AI can further be used to make predictions about project progress, allowing companies to make earlier and better decisions. Finally, AI can be used to monitor sustainability. For example, with AI models can be developed that can predict the impact of materials and technologies, or the lifespan of buildings, reducing the amount of new construction required. Digitalisation also brings risks: cybercriminals are always trying to hack into systems and data.

Hardening of the public debate and deepening divisions in society

In society, we are seeing increasing polarisation and hardening. Also on and around construction sites, people are often aggressive or do not follow safety instructions or regulations. This requires even greater efforts from construction companies to ensure safety.

Laws and regulations

EU legislation and regulations

In the European Green Deal, Europe has laid down its ambition of becoming climate-neutral by 2050 and reducing emissions by 55% compared to 1990 by 2030. In the 'Fit for 55' programme, amendment proposals have been made at the European level for this purpose to update laws to more ambitious climate targets. The Sustainable Finance Action Plan is the plan of the European Commission to transform the financial system in such a way that it supports the goals of the European Green Deal.

For the construction industry, the Taxonomy Regulation and the Corporate Sustainability Reporting Directive apply, both of which are part of the Sustainable Finance Action Plan. The CSRD is detailed in reporting standards: the European Sustainability Reporting (ESRS) Standards. Dura Vermeer must meet these standards in 2026, in its annual report for the year 2025. This also means that in its 2025 report Dura Vermeer will have to report on its degree of 'alignment' with the EU Taxonomy.

Environment and Planning Act

After several postponements, the Environment and Planning Act will come into force on 1 January 2024. This act groups together a number of other laws, including the Nature Conservation Act. The new law changes the permit process for construction projects. Three categories are introduced for construction works: requiring notification, requiring a permit, and exempt from notification and permit. Construction is separated into a spatial part, which is laid down in an environment plan, and a technical part. The latter would no longer require a permit. The law was introduced despite practical concerns. The central government's ICT systems are not ready yet, it will overstretch municipalities' already tight administrative capacity even more, the law is highly complex and there is a great deal of uncertainty about how it will work in practice.

Quality Assurance (Building Sector) Act [Wet Kwaliteitsborging]

Simultaneously with the Environment Act, on 1 January 2024, the Quality Assurance (Building Sector) Act will take effect. Under this law, instead of the municipality, a quality assurance agency will test the building requirements before, during and after the construction process. A complete file with all statements and data is a prerequisite for being allowed to build a structure and then put it into use.

Water Framework Directive

To ensure the quality of ground and surface water, the Water Framework Directive (WFD) was created in 2000. It stipulates that by 2027, Dutch waters should be a healthy habitat for the plants and animals that live there. In many places, water quality does not meet the WFD standards. This poses a threat to the construction industry, according to the Bouwend Nederland industry association, because it could mean that measures to comply with it could mean fewer or no more permits for (water) construction projects. Construction pits may no longer be allowed to be drained or water cannot be moved in infrastructure projects. This will also jeopardise dyke reinforcements, maintenance works and bridge construction. One solution could be for competent authorities to apply tailor-made permit solutions from 2027 by imposing conditions. But it would be better to accelerate water quality improvements to prevent the sector from getting deadlocked in a similar way as with nitrogen.

Making construction more sustainable

The minister of Housing and Spatial Planning wants to make the construction of residential and non-residential buildings more sustainable. In addition to the tightening of the Environmental Performance of Buildings (MPG) from 1 January 2025 to a maximum score of 0.5, other indicators will also be tightened at the housing and environment level. The plans are developed in timeframes to 2030 and 2035. The minister wants to raise the legal requirements incrementally. Locally, no deviation from national requirements for the energy and environmental performance of buildings is allowed. The minister wants to achieve standardisation of what clients ask for when their sustainable ambitions for housing construction exceed the current legal requirements. Furthermore, bio-based construction will be promoted and there will be a building materials agreement for sustainable use of materials.

BUILDING A SUSTAINABLE ENVIRONMENT

We are a reliable, long-term partner in the realisation of a high-quality and sustainable built environment, made for and by people, that contributes to a safe and healthy living environment for everyone, in which future generations can also live and work. At the core of our value creation model, we have articulated our contribution as: 'We build a sustainable environment.'

To carry out our core activities, a number of people and resources (inputs) are indispensable to us. First and foremost, of course, our own employees, but also the people who work for us on a temporary basis and the clients and partners we collaborate with. The knowledge of our people and the methods and standards we develop ourselves form an important basis for carrying out our core activities. Availability of raw materials is critical for us to realise our construction works. Our relationships with our (chain) partners is also important: without them, we cannot realise our goals. For further information on this, see the Value Creation Model on page 32.

Our business model summarises how we create value, our core activities indicate what we do and our core values indicate how we do it. We incorporate safety, quality and reliability into everything we do.

The most important tangible results of our operations are our projects and services, but also their additional effects, such as emissions.

We focus on long-term value creation for all our stakeholders. The most important positive contribution is the value our infrastructure, homes and buildings create for the end-users. As a family business, we are focused on the long term and work to build what our society needs and what future generations need. These include mobility, connection and being able to live and work in a safe and healthy environment. Working in construction involves safety risks. For Dura Vermeer, safety is a top priority. We want everyone, every day, to be safe and sound coming to work and going back home. We also offer excellent working conditions and create an environment where employees enjoy working, where they can fulfil their potential and feel valued as human beings for who they are and what they can do, and where they can be proud of that.

Our impact on climate change, resource depletion and nature is a negative impact that is related to the materials we use and the energy we consume in the construction process. However, we are also working to create positive value by designing and building in increasingly energy-neutral, circular, climate-adaptive and nature-inclusive ways.

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, set the global agenda for sustainable development. We actively contribute to achieving those sustainable development goals on which we have the greatest impact, shown in the model on the previous page as our impact. To flesh out our concrete contribution to these SDGs, we have included in Chapter 8, About this report, an overview of the SDG sub-targets to which we are contributing and how we do this. In addition, Dura Vermeer endorses the ten principles of the UN Global Compact concerning human rights and working conditions, the environment and anti-corruption.

The choices we make to build a sustainable living environment are set out in our 2022-2024 strategy: 'Leap forward'.

As a family business, we focus on the long term

STRATEGY 2022-2024: LEAP FORWARD

In the second year of our 2022-2024 strategy period, the 'Leap Forward' strategy has further strengthened our organisation. Although market conditions were challenging, we kept focusing on our strategic ambitions and were able to make strides in this regard. For example, in 2023 we launched the sustainability strategy Towards Net Zero.

Principles

Dura Vermeer wants to be a reliable, long-term partner in the realisation of a high-quality and sustainably built environment, made for and by people. We see that as our mission, now and in generations to come. We deliberately choose to fulfil this task as an independent and autonomous construction company.

We focus on the Dutch market, in which we have long been socially rooted and regionally embedded. At the same time, we can offer the knowledge and resources of a large, independent, nationwide company.

- We mainly strive for autonomous, manageable growth and diversification of activities to reduce risk and our sensitivity to economic cycles. We will consider acquisitions when they fit our strategic principles.
- Corporate social responsibility is a fundamental aspect of the company, and sustainability is an integral part of our operations.
- In order to be successful, it is becoming imperative to look outwards: to listen and respond to clients, to see opportunities and seize them, and to keep innovating in order to respond to new developments in the market and in society.

- Our core activity is projects, in which we strive to play a central management role as the main contractor and/or developer, working directly for the end-client, so that we continuously build up more client knowledge.
- Our people and their professionalism lie at the heart of company. That is why we invest in the development of our people and strive to be the best employer in the industry.
- Healthy profitability is a basic requirement for our continuity as a company.

Given the competitive market and disruptive developments going on around us, it is important to keep strengthening our external focus. We want to be even more responsive to developments in society and among clients, and even better exploit opportunities in market segments with growth expectations. This demands more commercial clout and assertiveness in our market approach. We also want to expand the activities of our Technical Installation Division.

Our current strategy consists of three strategic priorities and three innovation ambitions, which we are working on based on our three core values: safety, reliability and quality.

As we enter the final year of the current strategy period, we are already shaping our strategy for 2025-2027, in which our sustainability strategy will feature prominently.

We want to keep strengthening our external focus

STRATEGIC PRIORITIES



Increasing our focus on client, market and society

We are committed to further professionalising the commercial process. By being flexible, we can exploit opportunities in the most profitable markets and segments. We also focus on projects where Dura Vermeer's experience and expertise can deliver the greatest added value for clients and society.



Strengthening people and the organisation

We are investing in the qualities and agility of our employees and our management. We leverage our reputation as an employer to attract excellent colleagues from more diverse backgrounds. We are also extending our network organisation so as to deploy our people where they can really make a difference.



Improving our financial result

We continue to focus on further margin improvement as a prerequisite for further growth and innovation. Operational excellence and cost price reduction will also remain at the top of our agenda: we want to be even more tightly in control of our work processes and achieve greater efficiency, so as to further reduce failure costs.

INNOVATION AMBITIONS



Sustainability

Sustainability is one of the biggest issues of our time. We want to make a significant contribution to it and remain frontrunners in the industry. Within our sustainability innovation ambition, we distinguish three goals: Zero emissions, Circular construction and Greener and healthier.



Digitalisation

The digital transformation is set to shake up the industry. Dura Vermeer wants to be on the crest of the digitalisation and innovation wave in the construction industry. With the experience and expertise we have built up, we are going to make our working and construction processes faster, more efficient, safer, more sustainable and more predictable than ever in the years ahead. We are also developing products and services that give clients even more confidence that we understand their wishes.

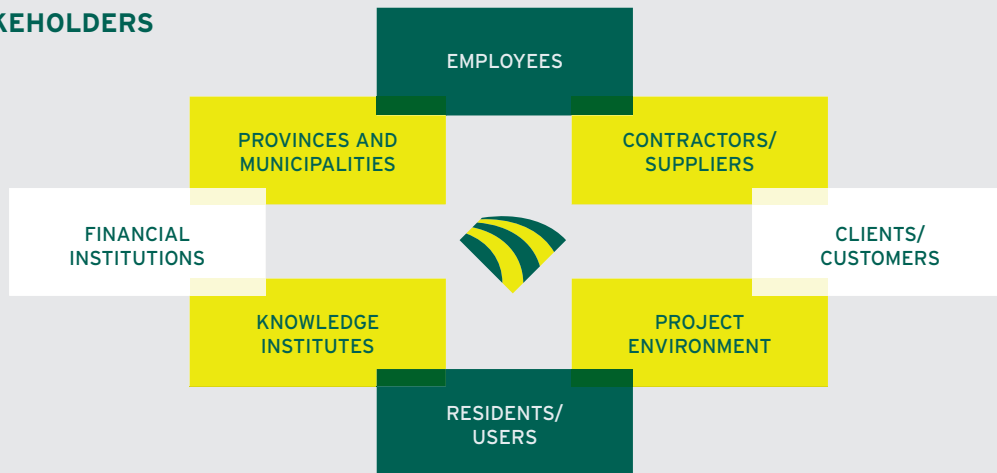


Innovation

We are aiming for a position among the top innovators in the construction industry. The industry is changing at pace and we believe it is important to help set the course. Of course, we do this in partnership with others, because we need our entire 'ecosystem' to devise innovative solutions. In the chapter Policy and Results we discuss our strategic priorities, innovation ambitions and the corresponding objectives, operations and results in more detail.

STAKEHOLDERS

OUR STAKEHOLDERS



Stakeholder dialogue

Our projects matter: they give meaning to the environment and their users. We make a difference by examining each issue with an open mind: what could we do differently, what could be improved, what is the long-term impact? This is how we create value for and with our stakeholders, taking account of the needs of future generations and society as a whole.

We want to involve our stakeholders in our activities as much as possible. The aim of our stakeholder engagement is to create long-term value for our stakeholders with our strategy and business model. We do this by identifying their interests, needs and expectations in regular engagement with them. We also want to use these conversations to increase our transparency and be open about the challenges and opportunities in our value chain. Conversations with our stakeholders take place at different levels in the organisation and are mostly part of the daily work of our divisions and operating companies. The Management Board participates in key dialogues attended by a variety of stakeholders.

In addition to the specific dialogues with our stakeholders, we communicate with them and other interested parties through our website and other channels. That is where we post stories on projects, interviews with staff and stakeholders, and our views on various topics. Dura Vermeer is also active on social media.

Throughout the year, we consult with the following stakeholders in various forms:

Employees

People are at the heart of Dura Vermeer. We are committed to ensuring that everyone in our organisation can be themselves and develop their talents. In order to know what is going on within our company and be able to act accordingly, both the Management Board and the divisional boards regularly consult with the Central and Decentralised Works Councils, with the board of our youth organisation Young Dura Vermeer and with the board of our women's network EVA. There are also periodic staff meetings at operating company, divisional and group level and we conduct an annual employee satisfaction survey.

Contractors/suppliers

Contractors and suppliers are important partners for Dura Vermeer in the construction chain, not just for the supply of materials and the implementation of projects on construction sites, but also because we also strengthen each other with regard to sustainability and innovation. We build relationships that often last for years with contractors and suppliers that we like to work with, and that we work well with.

Clients/customers

In order to properly understand and respond to the demands of our clients and customers, we are in constant contact with them. For a concrete issue, this contact starts at the tendering stage and, depending on the scope of the issue, it continues from design phase to maintenance and management after delivery.

Project environment

In order to complete a project properly and ensure a smooth and safe construction process, it is imperative that we communicate well with local residents (citizens and business owners). A prerequisite for this is knowing their wishes and incorporating them as much as possible into the design and implementation. This is why we pay close attention to environmental management. For every project, we consider what we need to do to fulfil their wishes and expectations. It might be employing an area caretaker to visit people who report incidents and to monitor the area, or by holding a weekly consultation for local residents at the Dura Vermeer information booth.

Resident/users

Our projects are ultimately meant for users and/or residents. To meet their wishes and expectations the best way possible, we examine them and try and fit them into the design and planning wherever possible. For each type of project - new construction or renovation - we consider how we can address their wishes and expectations. One way to do this is by periodically inviting buyers to the construction site and, in the case of a renovation, assessing the impact on the residents' living situation before the planned activities begin.

Industry organisations

We are members of several industry associations, including Bouwend Nederland and Techniek Nederland, with which we exchange information and share knowledge on topics such as the development of technology in construction and sustainability. Collaboration with industry associations is necessary to protect our shared interests and lay down standards. We also embrace industry initiatives that we welcome, for example the Governance Code Safety in Construction (GCVB) of which we are a co-initiator, and Safety in Tendering (ViA). To accelerate sustainability, we have joined several covenants and Green Deals.

Financial institutions

We maintain intensive contacts with our principal bankers and mutual insurance associations and keep them informed of our results. We also have periodic discussions with insurers.

Provinces and municipalities

We often deal with provinces and municipalities to select building locations, comply with laws and regulations and obtain permits. We also partner with municipalities in area development and carry out innovation pilot projects in cooperation with provinces and municipalities. For example test strips of a new type of asphalt or testing new types of collaborations such as The Circular Road.

Our material topics

In preparing this annual report, we have taken stock of which topics are most important to us and our environment. We did this from two perspectives: we looked at the impact of our activities, products and services on people and the environment, but we also considered the impact that these topics have or may have on our financial position and results in the shorter or longer term. The material issues we report on in this report are:

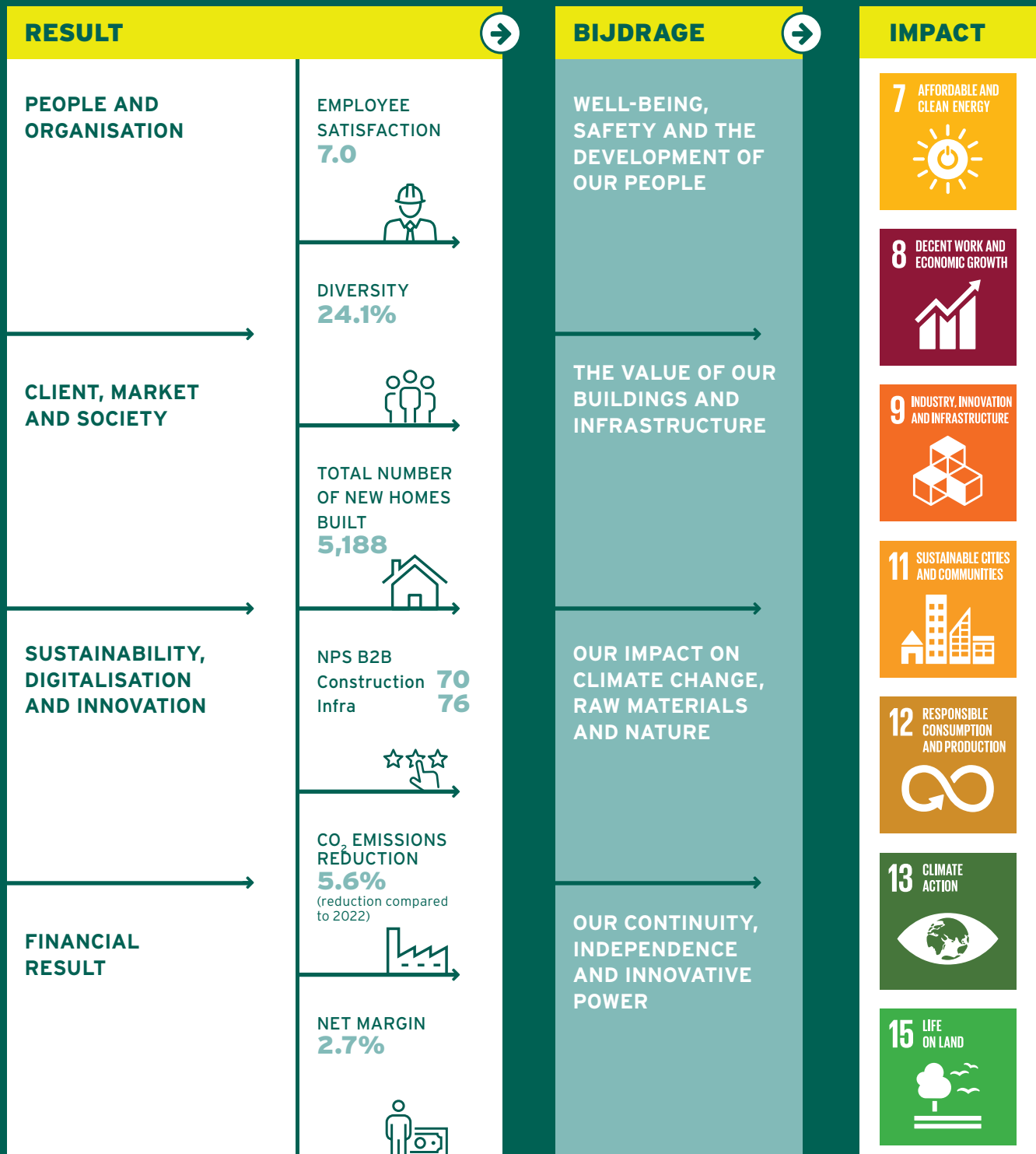
- Safe and healthy construction
- Good employment practices (including diversity and inclusion)
- Strategic environment management
- Safe and healthy living environment
- Affordable housing
- Customer satisfaction
- Operational excellence
- Partnerships/chain cooperation
- Net Zero
- Circular construction
- Climate-adaptive and nature-inclusive construction
- Digitalisation
- Innovation

We report on these issues in Chapter 3, Policy and Results, in the context of our core values, strategic priorities and innovation ambitions. The topic Partnerships/chain cooperation is an exception; it is a common thread in all our topics; cooperation is crucial to achieving our goals. In Chapter 8, About This Report, we explain the topic selection process in more detail. We are updating our investigation of dual materiality in line with the European Sustainability Reporting Standards (ESRS). We will report on the results and on this process in future annual reports, taking further steps each year.

VALUE CREATION MODEL

The following overview shows how we shape our business and the relationship with our stakeholders and society.





“Transparency is becoming more and more important”

Jean Luc Beguin, CPO of Rijkswaterstaat, and Job Dura, CEO of Dura Vermeer, have been working on the transition to a vital infrastructure sector for years. Together, they look back, and also ahead. “We are on the right track, but there is still a lot to be done. Transparent collaboration helps, but it takes guts and realism.”

When Job Dura became CEO of Dura Vermeer in 2010, talk quickly turned to necessary changes in the infrastructure industry. “We discussed with the top management of Rijkswaterstaat that we needed to find new types of partnerships to keep the Netherlands safe, liveable and accessible. As market participants, we said we could build all the infrastructure, but risk allocation was not being sufficiently addressed. Then projects were hit by setbacks, followed by financial claims. So we had to plot a new course. A 2019 study by McKinsey & Company confirmed that.”

New types of partnership

Based on that research, the programme *Op weg naar een vitale infrasector* [Towards a vital infrastructure sector] kicked off in 2020. The Infra Taskforce, in which Rijkswaterstaat and the infrastructure sector are successfully working together, plays a key role in this programme. It was set up during the Covid pandemic to allow the infrastructure sector to continue working. The transition to new ways of working has since been added. The main conditions are: achieving results together based on expertise, a financially sound industry with healthy risk management, and enough room for innovation throughout the chain.

Complex task

“Initially, talking about investing in collaboration was difficult,” says Jean Luc Beguin, chief procurement officer

(CPO) and head of Rijkswaterstaat’s market and procurement policy. “Our leading conditions seemed relatively soft, while our industry pursues hard results. But these principles are crucial to moving forward together, especially as our task is getting ever more complex. Safety and sustainability are important, we want to use technological developments to our advantage, and we have a huge conservation task for hundreds of structures from the 1950s and 1960s.”

Short term versus long term

Politicians and the markets tend to have a short-term perspective, but the challenge before us is very much long-term. “We need to turn that around: a long-term perspective and short-term action,” Beguin argues. “This can be done successfully with a two-stage approach in which we have open discussions with each other about reducing risk. In this way, we can create greater certainty in the implementation stage and avoid guesswork. We have applied this in sixteen projects now, and found greater satisfaction in cooperation as well as a lower risk profile during implementation.” In other forms of cooperation, success is less visible: “For example in the portfolio approach, in which Rijkswaterstaat combines similar structures into one portfolio. This renders the longer-term work more predictable for the chosen market player, and makes it more attractive to invest in sustainability, innovation and standardisation.”



Job Dura (left) en
Jean Luc Beguin (right)

He continues: "For a while, the focus was on the short term. During the pandemic, for example, the sector simply tried to survive. This was followed by price hikes and construction projects stalled because of nitrogen." Until the minister released funds for conservation.

Investing in relationships

"Even so, the sector has achieved a lot," Dura believes. "During the pandemic, the market and the government came together in the Infra Taskforce to tackle the problems by investing in relationships and mutual understanding. Cooperation is improving. We are on the right track, but there is still a lot to be done. We are pleased that the Infra Taskforce is continuing its work. It can, for instance, provide more clarity about the planning of upcoming projects and commit to improving the chain. We are linking up with that with the Gideonsbende, a group of directors from the sector that is trying to bring about change in our organisations by modifying attitudes and behaviour."

Transparency

"Transparency, knowing what is really going on, does help," Beguin agrees. "For example, we want to know how a bid is structured, how much return a market party wants and how much equity companies have as a buffer. That enables us to build in enough checks and balances and weigh all interests fairly." Dura nods. "True, we could be more open about that.

But then we expect the same transparency from Rijkswaterstaat. For example, about how a party is selected."

Conservation is key

Another important issue is keeping the common goal in mind: contributing to society. Over the next few years, the extensive conservation task will be key. Dura: "I am glad budget has been freed up for that. However, the market should be involved earlier in the process, as conservation requires more preparation. Interesting projects are also necessary for us to be able to retain our people and contractors and for our industry to remain attractive in the labour market."

Guts and realism

Beguin understands those wishes, but Rijkswaterstaat also has to deal with a lot of uncertainty. "There is political uncertainty, prices are rising, money is running out and there are wars around the world." Dura remains confident. "The construction industry is pragmatic and solution-oriented. During the pandemic, we have shown that we can adapt quickly. A crisis can actually lead to renewal. The labour shortage, for example, is forcing us to industrialise and develop prefab solutions. If we use electric machines for that, we can also drive sustainability." Beguin concludes: "What we need is guts and realism. And of course: finding enjoyment in working together."



POLICY AND RESULTS



CORE VALUE SAFETY

SAFE AND HEALTHY CONSTRUCTION

Dura Vermeer's business is based on its three core values: safety, quality and reliability. Safety is always our top priority. Ensuring the safety of our people and others working on our construction sites is our primary responsibility.

Safety: one of our core values

In our focus on safety, we work hard on raising awareness among our employees and partners and on optimising our safety culture, both in a physical and social context. The core values of quality and reliability are dealt with elsewhere in this annual report, but safety takes a special place. In this chapter, we present the results and our achievements in this area.

Safe and healthy construction

Safety is always Dura Vermeer's number one priority. We ensure that everyone can travel to work and come home again safe and sound every single day. We are creating a sustainable safety culture, art of which is that we strive constantly to raise the safety awareness of our employees and our contractors. Being proactive and taking responsibility are vital aspects of this. To achieve it, we implement the Seeing Acting Learning programme, and roll it out down the chain. We want to play a leading role in the industry in improving safety on and around construction sites.

Safety always comes first

We propagate the importance of safety on a daily basis, and this is perceived as such by 95% of our employees, according to the Employee Satisfaction Survey we conducted in 2023. We feel responsible for everyone who works on our projects. We strive to improve the safety performance throughout the construction process, from design to completion. By foregrounding safety early on in the process, we can better ensure safety at the construction sites and execute our projects more safely. We zero in particularly on behaviour and culture.

We consider a proactive safety culture throughout the chain as a prerequisite for a safe construction site. By proactive we mean, in addition to including safety and health as early as possible in the design process, that we take responsibility for a safe and sound realisation of the project. We want everyone in the chain to actively participate, take responsibility and thus safeguard their own and their colleagues' safety.

The biggest risks in our construction projects - and this applies to the industry as a whole - are falls from height and falling objects. When we build close to public areas, such as high-rise construction in city centres, additional measures are needed to ensure safety outside the site fences. On our infrastructure project sites, collisions are the biggest risk, both on the construction site itself with our own moving equipment and for through traffic passing along the site. Other risks include electrocution, working with hazardous substances and hoisting operations. We have also recently encountered tripping and stumbling incidents. This risk spectrum means that ensuring safety has our continuous attention.

We take our motto 'We either work safely, or not at all' literally. It has been clearly communicated throughout the organisation in recent years that employees can and should feel free to stop working if safety is compromised. Among our contractors lower down the chain - and in particular the self-employed workers they hire - we unfortunately still too often see people take different decisions, to the detriment of their own safety and the safety of others. That is why it is so important to make clear agreements with partners and contractors on how each organises safety within their own chain. We also continue to propagate that everyone has the right to a safe workplace, that safe working applies to everyone and that everyone on and around our projects should feel safe and work safely.



Governance Code Safety in Construction

Dura Vermeer is a co-initiator of the Governance Code Safety in Construction, which was established in 2014. The aim of this Code is to cooperate on four themes to make the entire construction industry safer:

- Chain approach: working together horizontally and vertically in the chain to achieve a higher level of safety.
- Standardisation and unification: self-adherence to the agreed and established uniform tools, rules, regulations and safety resources to achieve a higher level of safety.
- Training: the continuous improvement of safety-related training, both in the own organisation and industry-wide.
- Learning from each other: sharing knowledge and experience to ensure that solutions for the safe realisation of safe construction works become widely available to all actors in the sector.

Dura Vermeer remains an active participant of the Governance Code Safety in Construction to strengthen safety across the construction industry. This means applying developed tools such as the generic gate instruction (GPI) and applying Safety in Tendering (ViA), bringing the whole chain to a higher level of safety awareness. We also share our own experiences, best practices and lessons learned from our projects and incidents to enhance the learning ability within the industry.

Structurally Safer manifesto

On 25 January 2023, the Structurally Safer manifesto was signed by Bouwend Nederland, Opdrachtgeversforum in de bouw, the Governance Code Safety in Construction, VNconstructeurs, NLIingenieurs, the Constructeursregister and Kennisportaal Constructieve Veiligheid. This manifesto was drafted based on the Safety in Construction programme, which came out of the Dutch Safety Board's call 'Make designing, building, transfer and use of building structures structurally safer'. After an investigation, the Board came up with the recommendation to improve safety. The Safety in Construction programme works with the themes Regie op veiligheid [Directing Safety], Borgen van constructieve veiligheid [Ensuring Constructive Safety] en Versterken van het lerend vermogen [Strengthening Learning Ability]. The Manifesto contains concrete objectives to achieve this. By signing the Manifesto, parties declare that they will use 'always safe' as the guiding principle of everyone's actions in the construction process. This means that everyone accepts that in projects, contracts and the activities in which that person is involved the safety perspective forms the basis for all actions, that everyone acts always acts in accordance with this perspective themselves and calls others to account. Signatories also declare that they will act as ambassadors for this way of thinking.

Safety programme

With our SAVE (SAmen VEilig in de hele keten) [Safe together throughout the chain] safety programme we aim to create a durable safety culture and increase the safety awareness of our employees and partners. With SAVE, we give concrete substance to the Governance Code Safety in Construction and the Safety in Construction programme. The programme consists of 4 pillars: Occupational Safety, Environmental Safety, Structural Safety and Safety Culture.

1. Occupational safety

One of the ways we work on occupational safety is by applying clearly formulated rules on the construction site for both our own employees and our contractors. Safety is used as a selection and assessment criterion for contractors and constitutes a core competency in the job classification system, the training system and the assessment cycles. We provide safety training ourselves. Within our organisation, we can rely on a large number of in-house safety experts. Safety inspections are carried out regularly at multiple management levels. An external organisation also conducts consultancy visits and we organise behavioural observation audits.

2. Environmental safety

Around the construction site, we want to identify all environmental safety risks at an early stage and link containment measures to them. We prevent objects from falling, guard the entrances and exits of construction sites, fence off building sites and prevent nuisance caused by waste, noise and lighting. This requires additional measures, which require close coordination with the permit authority. We try to eliminate any issues with measures early on in the design phase or during tenders.

We have developed the campaign for safety in construction further: we give lessons at primary schools around our projects to make children aware of big construction machines and lorries in traffic, the risk of blind spots and the instructions of a traffic controller.

3. Structural safety

We ensure structural safety from the design phase up to and including the construction phase and maintenance phases in order to prevent accidents or damage due to supports or a main structure collapsing during the construction phase. We want the roles and responsibilities of structural engineers on projects to be clear and well coordinated. We attach great importance to ensuring structural safety and, to this end, we have partnered with Kennisportaal Constructieve Veiligheid (KPCV) to come up with a sound tool that will enable us to guarantee this. We increase the knowledge of our own employees so that they

can adequately assess dangerous situations in the context of strength and stability.

4. Safety culture

We encourage safe working and want everyone to feel free to report mistakes and suggest improvements. We strive for a learning culture and we ensure safety across the chain, from client to user

- We embrace certification on the NEN Safety Culture Ladder (SCL) through the joint agreement Veiligheid in Aanbesteding (ViA) [Safety in Tendering]. We help our chain partners to secure SCL certification, because the safety culture on any project is the sum of the safety cultures in the chain. (See also below: 'Safety in the chain'.)
- The Seeing Acting Learning [Zien Handelen Leren] culture programme promotes the importance of proactivity, both internally and externally. This inspires clients and contractors to enhance the safety culture in their own organisations.
- We invest a great deal in training courses to raise knowledge of occupational safety and foster safety leadership.
- With our SAVE app we inform the whole organisation about safety and health and enable reporting of incidents.

Seeing Acting Learning

The Seeing Acting Learning culture programme is part of our SAVE programme. The programme trains employees to recognise high-risk situations and show ownership to resolve them. In 2023, we focused on recognising risks (Seeing) in this context, for which we conducted workshops. One tool is the SAVE app, in which employees can report safe and unsafe situations, submit improvement proposals and share experiences and learning moments. The app is used intensively, giving us insight into any safety policy bottlenecks and areas for improvement, which we then tackle jointly with the departments and managers.

We are getting many reports via the SAVE app, which provides us an increasingly clear picture of the conditions and risks on our projects. Based on this information, we can make adjustments when necessary.

Dare to act

In 2023, our safety culture programme Seeing Acting Learning has led to more concrete, proactive actions. A lot has been invested in workshops and training to increase safety knowledge and skills, but in practice, this knowledge is not always being applied. Not because people don't want to, but because high financial, work or time pressure sometimes cause them to waver. As a result, it can happen that employees do not call each other out, do not report situations or do not interrupt work when in doubt. We will pay more attention to the psychological aspects of safety in 2024, as they impinge on the decision of employees to intervene in unsafe situations.

Safety management system

With this system, we comply with laws and regulations and continuously develop our safety policy. All our activities fall within the scope of this system, and all relevant processes are described in it. Safety is integrated in this system from design to realisation, allowing us to identify risks early and link them to containment measures. We monitor through internal and external audits that the management system continues to meet standard requirements and the needs of the organisation. In the annual cycle with the executive review and operational plans, we ensure that our activities remain in line with the management system and the standard operating procedure described therein. We can also adjust or expand the system based on this cycle.

Hazard identification and risk assessment (RI&E)

Having an up-to-date hazard identification and risk assessment is part of our aim to be both compliant with laws and regulations and to have a clear picture of our work-related risks related to safety, health and well-being. Partly due to the recent change in RI&E legislation, we decided to review and update the previously reviewed RI&E. To do this, we have embraced the Working Conditions Inspection Methodology (IMA) as a recognised tool.

The SAVE-app is used intensively and provides a lot of insight

Education and training

Knowledge and skills are needed to meet the basic requirement to develop, prepare and realise the work safely. This basic requirement applies to the entire chain within one's own organisation where everyone contributes based on their role. For each role, we have therefore defined which safety training and education is mandatory, in the form of both e-learnings and classroom training. We also involve construction site workers on the practical days. We continuously monitor that mandatory training courses are attended and successfully completed within the stipulated timeframe. Training courses and invitations to them are organised and scheduled through the Dura Vermeer Academy, as is the filing of results obtained for the attended training courses.

Safe working campaigns

In 2023, we ran several safety campaigns, such as the 'Line of Fire'. On 29 March, as we do every year, the whole company marked Safety Day. At this seventh edition, we emphasised that everyone is responsible for working safely and encouraged employees to stop working even when under great (time) pressure if something is not safe. We did this with the campaign: 'Can you look at yourself in the mirror?' This campaign that consisted of employee videos, focused on Seeing from the Seeing Acting Learning cycle. By taking a critical look at workplace risks and at each other, but also at yourself, we can make a difference.

Safety performance in 2023

We want to avoid serious and fatal accidents at all times. In 2023, there were no fatal accidents.

We have set a KPI for the number of accidents with serious consequences. An accident with serious consequences is when an incident involving an employee working under the authority of Dura Vermeer occurs that we are obliged to report to the Dutch Labour Inspectorate. This indicator is a measure of the severity of the accident and also of the impact the accident has on the employee in question. We take every incident in this category extremely seriously and investigate it to decide what action should be taken.

In 2023, no serious incidents occurred with Dura Vermeer employees, but some did occur with employees of other companies on our projects. One was injured when he was hit by lubricant suddenly released under high pressure during maintenance work. Another was injured during road works: in foggy conditions, a truck in the work area collided with a parked milling machine that the employee was standing next to.

We aim for the lowest possible figure on the incident frequency index, the IF rate. Our target for 2023 was an IF rate of <1 with a maximum average number of absence days of 10 per incident. We failed to achieve this, but over the past twelve years, both the IF rate and the number of absence days have fallen sharply thanks to our various safety culture campaigns. In the Construction and Property Division we launched a campaign to improve safety culture in 2014. This has resulted in a continuous decline in the IF rate to 2.6 by 2023. This IF rate corresponds to 7 incidents with absence longer than one day with an average number of absence days of 14.4 per accident. Most of the accidents concern stumbling and sprains. In the Infra Division, which still had an IF rate of 6.8 in 2011, this figure fell to 0.6 by 2023, corresponding to 2 incidents with absence longer than one day at an average number of 5 absence days per accident. We have seen a marked decline following the introduction of our Seeing Acting Learning programme in 2016 and several awareness campaigns including 'From 'let's get a move on' to 'let's have a think' and the 'Line of Fire' campaign.

Both the Technical installation Division and Facilities Companies (Autobeheer and Materieel) had no incidents of absence longer than one day in 2023, reaching an IF rate of 0.

Safety Culture Ladder

For 2023, our target was to maintain Tread 4 on the NEN Safety Culture Ladder in both our Construction and Property Division and our Infra Division. Tread 4 represents a proactive safety culture. We achieved this target. Within the Infra Division, Railinfra even managed to reach Tread 5 ('progressive') for the fourth year running. Dura Vermeer Materieel retained Tread 3 ('calculating') and is working on progressing to Tread 4. Our new Technical installation Division now has an Approved Self-Assessment and going forward, as the organisation grows, it will also embark on the certification process.

Safety in the chain

The labour shortage is mounting and the chain in the construction industry is getting longer and longer as many of our contractors outsource work to others. This leads to fragmentation of instructions, supervision and responsibilities with potentially serious consequences for safety. This is evidenced by mistakes made by insufficiently skilled personnel, difficult communication on safety with workers who do not speak Dutch and contractors who do not take their responsibilities seriously enough. The safety culture on our projects is shaped by the personal attitudes of all the people who carry out the work. That is why we set so much store by being clear in our expectations and rules that apply to everyone. In order to still be able to work safely, as main contractors we often take over responsibility for a safe workplace from other contractors elsewhere in the chain, who are often less concerned about it. In fact, by doing so, we are displacing the problem and perpetuating the situation as a result. Dura Vermeer will continue to facilitate our partners in the chain, including by helping contractors to develop their own safety culture, but we will insist on our shared responsibility and enforce it more strictly. In this

Safety performances	Realisation		Realisation 2022
	2023	Target 2023	
Fatalities	0	N/A	0
Number of accidents with serious consequences	0	N/A	1
IF VCA¹	1.36	< 1	1.83
Average absence days due to IF incident	12.3	< 10	21.3
Number of reports of unsafe situations	1,587	N/A	1,627

¹ IF-rate betreft het aantal bedrijfsongevallen met eigen en ingehuurd personeel met verzuim per miljoen gewerkte uren, de dag van het ongeval niet meegerekend.

Voor alle indicatoren in bovenstaande tabel zijn zowel medewerkers in dienst van Dura Vermeer (voor bepaalde als onbepaalde tijd) als tijdelijke medewerkers, uitzendkrachten, gedetacheerden en zzp'ers die onder gezag van Dura Vermeer werken meegenomen. Medewerkers in dienst van of ingehuurd door opdrachtneemmers van Dura Vermeer vallen buiten de scope van deze indicatoren.

way, we want to ensure that what is contractually agreed is also put into practice. Our Supplier Code of Conduct (see www.duravermeer.nl/opdrachtnemers) and our Socially Responsible Procurement policy (see 'Better control over the chain' on page 62) give us a basis for this. We are exploring how we can better control outsourcing by contractors. There are risks involved, as many projects have time constraints, so this is a dilemma in the current tight labour market.

Dura Vermeer is a major link in the chain that connects, on the one hand, developers, consultants and the clients, and our first-line contractors and their chain of subcontractors on the other. Across the chain, we aim to achieve a structural reduction in the number of incident reports involving injuries or absenteeism. We engage with clients to increase their commitment to safety. Construction site access security has given us a good understanding of the chain of contractors that is formed and we can now link deviating performance within the chain's responsibility 'tree' to our first-line contractor, whom we can then call to account. We further require that the ratio of first-line contractors complying with the ViA exceeds 70% at the time of contracting and is 100% during the execution of the work. Since October 2022, we also require first-line contractors to have their safety culture tested on the Safety Culture Ladder (SCL). Because these first-line contractors outsource work and do not yet enforce the SCL requirement among their subcontractors, the employees [gwl] who eventually enter the construction site are not yet sufficiently focused on safety culture. In a standardised assessment methodology, we periodically provide feedback to the procurement organisation on the safety performance of our contractors and their employees. This data across all projects helps us to engage with contractors where necessary and improve safety performance.

Our own safety policy is successful, as evidenced by the results and the safety policy evaluation we carried out in 2023. But we realise this is a delicate issue. Because of all our research and unwavering attention, we know what problem areas there are, but we cannot solve the problems alone. For that, we need our chain partners. This is why we set requirements, but we also engage with them, during partner days and at other times. By not

making accusations, but being open about responsibilities and helping them conceive of potential solutions, we want to get things moving.

Communication is key to working safely and spreading knowledge about it. This is another issue closely related to fragmentation in the chain, because language diversity is a challenge. So as to include people who do not have a good command of the Dutch language in our safety culture, we have made ten Life-Saving Rules of Conduct accessible with drawings, pictograms and animations. Working with images makes these house rules clear to everyone and makes it easier to point them out to each other.

The 'Working safely in construction with and by hired staff' covenant was signed in December. This is an initiative from the Safety in Construction Governance Code, Bouwend Nederland, Aannemersfederatie Nederland and the industry organisations of temporary employment agencies ABU and NBBU. Not all employment agencies are affiliated with the ABU and NBBU. We are concerned about the quality of some employment agencies and the working conditions of temporary workers, often migrant workers, who are at risk of exploitation. On our projects, we work with the systems BouwWatch (Construction and Property Division) and Bouwpas (Infrastructure Division), which we use to control who enters our construction sites. However, the longer the chain, the more difficult identity verification becomes. Nevertheless, control is necessary, otherwise we run serious risks. With the covenant, our industry wants to bring in regulations to ensure that only temporary workers from a pool of selected agencies of guaranteed quality work on our construction sites. This is to prevent dangerous situations arising due to incompetent workers or insufficient control.

Communication plays a major part in safety



Hazardous substances

We deal with hazardous substances in our operations in a range of different ways. Among these are particulates and emissions from diesel engines, and products such as glue, paint and PU foam. We have compiled information on such substances in the digital Hazardous Substances Counter. In 2023, we updated the digital counter with background information on working safely with hazardous substances.

In 2023, we focused on diisocyanates in particular. These are substances that are incorporated in certain products and may be released during processing. One such product is polyurethane foam, but various sealants and lacquers also contain them. Diisocyanates are strong irritants. To avoid irritation, it has been stipulated that these products can only be used if a number of conditions are met. The main requirement is that anyone working professionally

with these substances must have undergone training on safety and health effects as of 24 August 2023. Although manufacturers are searching hard for alternatives to diisocyanates, they have not yet been found. Dura Vermeer has developed an e-learning that can be taken digitally or in class if required.

In addition, 2023 addressed the Additional Hazard Identification and Risk Assessment (ARIE), a regulation in the Working Conditions Decree. The ARIE scheme applies to companies with similar risks to those falling under the Major Accidents (Risks) Decree 2015 (Brzo): companies working with large quantities of hazardous substances. To this end, we took stock of which substances we use and in what quantities.

The use of hazardous substances and alternatives to them is discussed periodically together with industry peers

The first tailor made modular elevator in the Netherlands used to prevent dangerous situations at project de Grote Beer.



in the hazardous substances core group consultations. In late 2023, the core group transitioned into the Hazardous Substances Sounding Board Group, which will support Bouwend Nederland with policies in the context of safe and healthy working. The task of the sounding board group includes proactively raising current issues and problems related to working with hazardous substances. Furthermore, the group is actively involved in the development of Vollandis' hazardous materials tool. The point of this tool is to support companies in the construction, civil engineering and technical installation sectors in the safe handling of hazardous substances. The group will provide input into regulatory processes at both European (REACH) and Dutch levels. This allows relevant concerns and suggestions from the industry to be properly included in consultations, correspondence and meetings with various government agencies and other industries. Finally, the group is consulting with product suppliers on the availability of less harmful alternatives.

Influence from the environment

Our environment is changing; everything is becoming faster and more dynamic and there is increased polarisation in society. We often work in public spaces, where bystander aggression is on the rise. This applies to work in urban areas, but also on motorways and highways. During roadworks, we more often find road users who intentionally or accidentally disobey traffic measures. The only way to solve this issue, too, is working together across the chain. We actively seek cooperation with our clients to understand this problem, open it up for discussion and implement measures to better ensure the safety of both road workers and road users.

Outlook

To maintain the current level of safety, given the complexity mentioned before, and also to be able to take the next step in further reducing the number of serious incidents, we are going to place renewed focus on our Safety Together programme. On Wednesday 27 March 2024, Safety Day, we will be focusing on tackling the top risks to prevent serious accidents as well as on the fragmentation of responsibilities in the chain. These themes align with the top risks identified by the Governance Code Safety in Construction and the national theme of Safety Day: Work together to be safer.

The Hazardous Substances sounding board group supports Bouwend Nederland with policy on safe and healthy working practices.

In 2024, we will also provide an e-learning for all employees on lessons learned from the serious accident investigation. We fully agree with the Safety Board's call that learning capacity in the construction industry must be strengthened. By incorporating lessons learned from our own incidents into an mandatory annual e-learning, all employees will be actively informed about the accident, its causes and measures to prevent it. This e-learning will be made available to the construction industry, which ties in with our Safety Together programme.

“Rules are not always necessary to do the right thing”

How do you tackle the housing shortage? By firmly taking the initiative and moving quickly. For example, Dura Vermeer is realising the Grote Beer complex in Rotterdam alongside Vesteda. **Gertjan van der Baan, chief executive officer of Vesteda**, sheds light on the housing market and the cooperation with Dura Vermeer.

What is Vesteda's business in the housing market?

“We invest pension funds in building new homes in the affordable segment above public-sector rented housing. We let 28,000 homes and have 2,000 under construction. The average rent is € 1,080 for a house of just under 100 square metres, and many people can afford that.”

What developments do you see in the housing market?

“There is huge demand for affordable housing. Young people continue to live at home, others are unable to form a family or cannot break up, or they cannot move in together. People with a refugee status also want to have a place for themselves. Around one million homes are needed over the next 10 to 15 years: roughly one-third public-sector rented homes, one-third free-sector homes and one-third owner-occupied homes. This situation presents a huge opportunity to investors, developers and builders. At an average of 400,000 euros per house, this means an investment of some 400 billion euros.”

How can we build these homes?

“With help from investors, but also from the government. Fortunately we have a housing minister again; that

underlines the urgency of the problem. The minister is currently looking mainly at regulation; he does not have enough money to encourage corporations and investors. Still, financial support from the government would be great, and it would be recouped several times over. VAT alone would yield a lot of tax income, as would the property tax, and it would also provide jobs for a lot of people. And every time people move is a boost to the retail sector. Newly built homes are also sustainable homes. It is not only a problem, it is also an opportunity.”

Do you see challenges?

“Absolutely. Interest rates have spiked, so refinancing is more difficult. Regulation erodes landlords' earning potential. There is also a shortage of development locations, and there is the nitrogen problem. At municipalities, capacity is limited and spatial planning procedures take a long time. Another factor in our case is that pension funds are withdrawing their money to some extent due to the higher interest rates; bonds offer the same yield as homes did before, but carry less risk. Also, because of the transfer tax, we can no longer sell homes to build new ones with the proceeds.”



What role can Dura Vermeer play in this?

“Dura Vermeer plays an important role in actually realising homes. A great example is Grote Beer, a complex with 193 affordable rented homes in Oosterflank in Rotterdam. Dura Vermeer is building those on an unsolicited proposal, that is to say without a tender from the municipality or a developer. It took the initiative to realise the project and found investors. This is something that Dutch society should be grateful for. Dura Vermeer started in April 2020, and the complex was completed by the end of December 2023. That’s tremendously fast. We bought all the homes, which is why construction could start so quickly. For the municipality, it is a godsend given its segment and the ambition to build 8,000 homes in 10 years. This was done without additional regulation; so rules are not always needed to do the right thing. It is a great commercial and social fit, and the constraints I mentioned were not an issue here. It was helpful that Dura Vermeer is rooted in Rotterdam, that Vesteda is well-known, and that the municipality gets on with things. Grote Beer also contributes to the character of its surroundings. It is attractive high-rise that give the area a metropolitan feel and graces the Metropolitan region.”

Are Dura Vermeer and Vesteda collaborating on any other projects?

“Yes, in Rotterdam-Zuid 160 affordable rented homes will be built in Het Zuiderhof, thanks also to investment from pension fund ABP. People with key occupations are given priority. When Grote Beer reached its highest point, the alderman said: See you next week at the breaking ground ceremony for Het Zuiderhof. The municipality sees that things are getting done.”

That sounds like a good partnership.

“That’s right, it is. Dura Vermeer is a party that, as a developer and builder, gives you certainty that a project will be completed. There are quite a few big construction companies, but Dura Vermeer, as a family business, thinks about the longer term, not just one transaction, and values relationships. With our pension funds we also look at the long term, and so we are a good match. And we both go for quality. We look at the lifetime cost of ownership, so if you spread a slightly higher cost over more years, it is reflected in quality, and that also means lower maintenance costs. We don’t want things done on the cheap, but for long-term value development.”



STRATEGIC PRIORITY PEOPLE AND ORGANISATION

People are at the heart of Dura Vermeer; they are the key to our success. We are committed to ensuring that everyone in our organisation can be themselves and develop their talents. We encourage drive and professionalism by giving our employees room to develop and to own their careers within Dura Vermeer.

This not only gives rise to commitment and continuity, but also to the safety, reliability and quality of the work we deliver for our customers. Continuity in turn contributes to our ability to keep developing and be at the forefront of the industry in terms of our three innovation ambitions: sustainability, digitalisation and innovation. This allows us to contribute to the present and the future of the Netherlands.

Our staff

As at year-end 2023, we employed 3,357 people, and 851 people were hired in. The latter are mainly people who work on our construction projects. In addition, many employees on our construction sites work under the direction of subcontractors engaged by Dura Vermeer. In Chapter 8, we have included a detailed overview of the composition of our workforce in the About This Report section.

Good employment practices

Good employment practices are a material topic for Dura Vermeer. In order to attract and retain excellent professionals, we are constantly working to enhance a working environment that does justice to all, and respects both the team and the individual. Sharing knowledge and finding the best ideas together is key for us, as are transparency, trust and ownership. We give our employees a chance to bring out the best in themselves. At the employee level, we create the conditions for this in our terms of employment and in our training and development offerings. We also focus on leadership in which these values are embedded. By strengthening our people and the organisation, we are working to achieve our ultimate goal of being the best employer in the industry.

The landscape within which we shape our good employment practices is constantly changing. For instance, the high inflation rates in 2022 and 2023 have had an impact on recent collective bargaining. Economic and political developments did too, as did the wars in several countries and climate change, partly because they increase the cost of living. Sustainability is an important factor that we are also taking into account in our terms of employment. For instance, we encourage the use of electric leased cars. We respond to trends in employment conditions to the extent that the collective labour agreement allows. The definition of Dura Vermeer being a good employer is further detailed in our promise to our employees (see below).

Promise is key

This promise is a key part of our Employee Value Proposition, the 'promise to our employees', that we established in 2022. It guides all aspects of our HR policies focused at being a good employer and makes clear what employees can expect from us. In fulfilling the promise, we create value for our employees. As a result, we can continue to attract and also retain top professionals. We honour our promise to all employees who have an employment contract with Dura Vermeer.

Briefly put, the promise entails that we create a working environment where employees can be themselves and can continue to challenge themselves and advance their careers, and where we share knowledge and come up with the best ideas together. We attach great importance to the physical as well as the social and mental safety of our employees. This is reflected in our terms of employment. Furthermore, we strive for a good work-life balance.

	2023	2022
Start of year	3,063	2,885
Inflow	643	518
Outflow	-349	-340
Year-End (Excl. Hired staff)	3,357	3,063
Hired staff	851	912

Policy goals

Our goal is to be the best employer in our industry. We pursue this goal by fulfilling our promise to our employees. In our HR policy strategy for 2022-2024, we have translated this into the following goals:

- We aim to enhance diversity and inclusion so as to better reflect society.
- We are enhancing commercial awareness to create more opportunities for our organisation.
- We will offer our people more training in the fields of sustainability and digitalisation to further cement our position as an innovator in the sector.
- We are strengthening our management to effectively lead a larger organisation.
- In our approach to the labour market, we show what Dura Vermeer has to offer as an employer and try to convince people to choose to work for us.
- We present ourselves as a top employer in the industry in order to attract ambitious professionals.

Employee recruitment and retention

In our approach to the labour market, we show what Dura Vermeer has to offer as an employer and try to convince people to choose to work for us. We present ourselves as a top employer in the industry in order to attract ambitious professionals.

Campaigns

Despite the tight labour market, we can still fill many of our vacancies. However, we are struggling to find foremen, site managers and structural engineers. Cost experts and calculators, work planners and project coordinators are also scarce. Apart from through recruiters, new employees find us through our campaigns or on their own initiative.

In January 2023, we launched the 'More Dura Vermeer' campaign. It is an agile campaign that offers plenty of room for variation and ideas from within the organisation. The increased number of responses and applications shows that people respond positively to the campaign. This will help build a talent pool of future employees. During the financial year, we continued our 'ViaVia' campaign, which encourages our employees to warm people in their network to a job with Dura Vermeer. If their application is successful, the employee receives a bonus. We have also made progress on campus recruitment, i.e. recruiting students for internships and traineeships. In this way, we aim to be more attractive as a training company (and ultimately employer) for schoolchildren and students.

In 2023, we started posting our vacancies on our intranet DVINSIDE. This will hopefully make it easier to apply internally for various positions within Dura Vermeer or for people to highlight them in their own network. We also

We create a working environment in which our employees can be themselves

started optimising contacts with potential new candidates in 2023. A WhatsApp feature allows visitors to our job site to get in touch with our recruiters directly to ask questions about working at Dura Vermeer. We are finding that this development is helping to expand our talent pool.

Terms of employment

We aim to be a leading employer by offering good working conditions. To ensure that they are, we constantly benchmark them by comparing our terms of employment with those of other companies in the industry and beyond.

Employee satisfaction

In May 2023, the results of our annual Employee Satisfaction Survey (MTO) were announced. Of the employees contacted, 63% completed the questionnaires, slightly less than in 2022 (69%). In several areas, the assessment was more positive than in 2022, but there were also learning points. Some figures were striking: no less than 98% of our employees would recommend Dura Vermeer to others as an employer (96% in 2022). On the other hand, they now rated their jobs lower: 7, while in 2022 this figure was at 8, the figure we set as a target. A possible external explanation is that work in the Netherlands received a higher score during the Covid-19 period than after in connection with the greater flexibility in terms of working from home. In each division, managers and HR had talks with employees to find out why job satisfaction was down on the previous year. There appears to have been not one specific reason, but a mix. In cases where people wanted to change things, we followed this up.

When it comes to our core values, 88% feel committed to our strategy, up from 74% in 2022; a clear increase. The level of support for safety within the organisation is high to very high at 95% of respondents. And 88% of employees knew of our new Net Zero strategy at the time of the survey.

Certificate from Top Employers Institute

In 2023, we became Top Employer for the second time in the Construction and Engineering category. This certificate is presented to employers who are progressive in the area of HR and offer employees the very best working environments. Our overall score for this certificate was 85.15%, a 5.02% improvement compared to 2022. The Top Employers' scores allow us to benchmark our HR practices against other Top Employers and improve where necessary, so we can continue to evolve in the pursuit of being the best employer in the sector.

Our employees gave positive scores to Dura Vermeer's sense of family, social aspects and commitment. They feel well looked after, there is a focus on inclusion and diversity, there are opportunities for career development and opportunities to grow, and there is room for initiatives. The working atmosphere, collegiality and open, honest culture were also praised. In the area of getting appreciation and feedback, there was room for improvement. This is something we will address in various development programmes.

Onboarding

In early 2022, we started a central onboarding programme for all new employees. In 2023, we made further improvements to it and also set up an onboarding procedure for external staff, giving hired staff the information they need to work in accordance with Dura Vermeer guidelines. After 90 days, we evaluate how the employee experienced the onboarding process. In these evaluations, 87% said it was a positive experience, and 92% said their perception of Dura Vermeer matched the perception they had before their first day of work. The programme fosters engagement with our organisation and strengthens the cohesion within the company.

Deployment and training

We would like to remain frontrunners in the market. That is why we tailor our training offerings to the needs of the market, the industry and the expertise and professionalism of our people. Innovation plays a major

role in this, and we focus on future-proofing and continuity. Stagnation in development equals decline. To prevent this, we focus on several key objectives. One is the further development of our innovation ambitions: sustainability and digitalisation. So digital skills are very important. We are also strengthening our employees' communication skills in customer relations and negotiations.

In 2023, we made a developmental shift with our courses, focusing on development in the different stages of the Y-model: in the Y-model, after the initial development into a professional, there is a split into further development either towards management or towards becoming a subject matter expert. In 2023, we focused on programmes for our professionals (with no choice as yet between the management or expert paths), middle management, experienced supervisors and subject matter experts. In this programme we work together with various training parties to tailor the training offering specifically to Dura Vermeer's wishes and requirements. The ultimate goal is to fill our vacancies with 70% career advancement and 30% external recruitment.

Applications for internal professional and career-oriented training courses are submitted via the Dura Vermeer Academy, for example to brush up on basic knowledge or to obtain Company Emergency Response (BHV) certificates and mandatory qualifications. Coaching and MBA courses are also possible. The Academy allows us to better match training to the needs and requirements of the organisation and the environment. The courses available at the Academy are determined by what is needed to do the work well, both in terms of competences and skills requirements.

In 2023, we invested a total of € 3 million (2022: € 2.8 million) in training and education for our staff, or 1.36% of our wage bill. Although a record amount was spent on training costs, we did not reach the 1.5% target. One explanation is that the total wage bill rose faster compared to 2022 than the total investment in training. Looking back to 2022, we can conclude that there was then a catch-up effect related to missed training during the corona period. In summary, we are increasingly investing in the training and development of our employees, which also follows from being a good employer and our Promise to our employees.

Sociale dialogue

We value proper social dialogue. An important body in this context is the Works Council. Dura Vermeer has one Central Works Council (COR) at the Dura Vermeer Group level. Its

	Realisation 2023	Target 2023	Realisation 2022
Employee satisfaction	7.0	>= 8,0	8.0

We strive to be an organization that reflects society

members are drawn from the works councils at divisional and/or group operating company level. Dura Vermeer has an active works council that works in harmony with the employer to achieve good results for all parties concerned. Elections were held for a new council in 2023.

Diversity and inclusion

It is important to us that our employees feel valued, can be themselves, feel safe and can express themselves. This is part of our promise to our employees. We continuously endeavour to create a working environment where we connect, share knowledge and come up with the best ideas together, and where we treat each other with openness and respect. Today's employee is looking for an employer who provides a diverse, inclusive and safe environment for all. This goes to the heart of our family business and is therefore of strategic importance for our continuity. By conducting targeted policies for diversity, equality and inclusion, these themes will become second nature in our company. Furthermore, companies with diverse teams are proven to be more successful: they perform better and make better decisions. So it will allow us to better understand what our customers expect of us.

New diversity policy

In 2023, we introduced our Diversity, Equality and Inclusion policy. It is based on the concept that everyone is responsible for an inclusive culture. To be able to bear that responsibility, it is crucial that the terms are properly understood by all. Diversity refers to facilitating a positive working environment with colleagues who may be different, whether visibly or not, for example in terms of their (cultural) background, education and work experience. Equality is about giving equal opportunities to all those different people, without excluding anyone. Finally, in an inclusive work environment, everyone is welcome and can be themselves. With our policy, we aim for this culture to become second nature within the company.

In 2022, we worked mainly on gender diversity, more diversity in terms of cultural background and more

opportunities for people at a distance from the labour market. Since then, we have decided to be more ambitious. In March 2023, we sent out a company-wide questionnaire on diversity and inclusion to measure how these themes were perceived within our company. Over 50% of employees completed it. Some responses from the 2023 Employee Satisfaction Survey (ESS) provided more insight into how colleagues perceive social safety and inclusion at Dura Vermeer. All outcomes have been used in drafting our policies based on this vision:

Dura Vermeer strives to be an organisation that reflects society: a mix of men, women, cultures, backgrounds, ages, personal characteristics, work experience and education.

The policy takes into account differences and similarities and focuses on equal opportunities so as to deploy all Dura Vermeer employees in the most effective and beneficial way.

We have set measurable targets. Through inflow and advancement, we ensure a representative reflection of society in the composition of our workforce. At least 30% should be women and at least 30% men, including in senior management. This makes targeted selection possible. Our aim is to reflect society also in the cultural backgrounds of our staff. We also want to create at least 100 workplaces for people at a distance from the labour market. We offer equal rewards and have them reviewed every two years. Dura Vermeer guarantees equal opportunities for everyone with the same competences and agility and the same potential. We publish inclusive job application texts and job profiles and we select based on objective criteria. Selection committees are diverse. We train managers in inclusive leadership and in recognising bias.

We engage with the topic, give each other feedback and call each other to account when behaviour prevents people from achieving their goals.

The Diversity, Equality and Inclusion policy is in line with several initiatives taken by Dura Vermeer in recent years. This included setting up women's network EVA, targeting our labour market communication and launching a study on equal pay between men and women. We also promote inflow of status holders with job-specific training and have set up a think tank and a diversity task force. We also have the Bureau Social Return on Investment to provide permanent employment to people at a distance from the labour market.

	Realisation 2023	Target 2023	Realisation 2022
% Training and education costs vs wage bill	1.36%	>1,5%	1.65%



To fulfil our ambitions, gain insights for improvement and be able to set benchmarks, we work with selected partners such as Top Employers, Talent to the Top, the SER Diversity Charter, the University Asylum Fund, TENT Partnership for Refugees, Emma at Work and Global People.

Gender diversity

For gender diversity, our target for 2023 was for 24% of our UTA (executive, technical and administrative) staff to be female. At 24.1% we achieved this goal. In order to achieve it, we set a target for gender diversity for each operating company. In our labour market communication and internal campaigns, we work with female role models. We are focusing on more women in our internal advancement policy. Furthermore, Dura Vermeer took part in Talent to the Top's boardroom coaching programme and cross-mentoring programme. This involved pairing women with individuals from other organisations. We also work on gender diversity with our women's network EVA, which strengthens and develops women in management and line positions. We participated in Talent to the Top's M/F Diversity Monitor. And we reached 23.5% women in management in 2023, exceeding our target of 18%.

Equal pay

In 2023, employers' association AWWN examined whether Dura Vermeer rewards men and women with equal knowledge and experience equally in the same positions. A small unexplained distinction emerged, which was then assessed at the employee level, after which corrections were made in the annual salary round. The survey also found that there are more women in lower job grades. With more talented young women coming in in the form of trainees, we hope to achieve a more equal gender ratio in higher job categories in the future. For obvious reasons, trainees are assigned to lower pay grades. As they advance, we hope to see a positive effect on the pay ratios.

Cultural diversity and distance to the labour market

We participated in Talent to the Top's Culture Monitor for the second year running, which gave us a better understanding of possible measurement methodologies. In 2023, we conducted a cultural diversity benchmark measurement, for which 65% of our employees shared data on their origin according to the CBS classification. This information will give us a more insight into the extent to

Male-Female diversity	Realisation 2023	Target 2023	Realisation 2022
% Female in total number of UTA Employees¹	24.1%	>24%	23.4%

¹ UTA staat voor Uitvoerend Technisch Administratief

We attach great importance to a healthy and safe working environment

which we reflect society and where we need to take action if necessary. We continued our collaboration with UAF foundation for refugee students. Finally, we participated in the 2023 SER Diversity Charter, which will again provide valuable benchmark data.

Bureau Social Return

Dura Vermeer's Bureau Social Return (SROI) made significant strides in 2023 in creating opportunities for people struggling to participate in the labour market. Our aim is to provide them with a workplace or training or let them gain work experience. We do this independently at our construction sites and offices, but also in cooperation with our partners and social enterprises.

By 2023, we registered 206 social return candidates, both from Dura Vermeer and from contractors and suppliers. Of course, we remain committed to growing this number.

In the financial year, we spent € 9 million on social procurement from companies certified on the Prestatieladder Sociaal Ondernemen (PSO).

We have also paid special attention to our social return procurement strategy, underpinned by formulating new contractual agreements. These include concrete agreements with contractors and suppliers about making a social contribution. This is how we expand our influence across the chain. We have now established such agreements with over 200 companies, and we now set far stricter social return conditions in tenders. This means that the social return efforts of potential contractors and suppliers are taken into account in the selection process. In this way, we demonstrate even more strongly our intention to realise valuable social impact as an inseparable part of our business.

Absenteeism

We monitor the health and well-being of our employees in their work situation. On site we always work in accordance with all safety requirements. Furthermore, we attach great importance to a working environment where employees feel safe and comfortable. Our offices meet the highest standards and we provide healthy food in the company restaurants.

The 2023 target was an absenteeism rate of below 4.0%. We just missed this target. In 2023, we saw increased absenteeism among employees up to 35 years of age. This same trend was apparent in national absenteeism figures. Together with Young Dura Vermeer, we looked at possible causes and possible interventions to reduce absenteeism among this group. These conversations revealed that expectation management and transparency around work-life balance is important for the cooperation between the different generations within Dura Vermeer. Besides education, adjusted management styles and tailoring through our flexible working policy, we are actively working to reduce absenteeism among this group.

Centralising health and safety services with one party in 2024 ensures that Dura Vermeer can respond proactively to trends and developments in absenteeism. Employees who feel good about themselves make a crucial contribution to the continuity, reliability and quality of Dura Vermeer's services. This will give us organisation-wide insight into absenteeism, and we expect to be able to implement more targeted interventions, which will help us reduce absenteeism. With a campaign in 2024 to focus more attention on prevention, we want to raise awareness among managers and employees about the distinction between sickness and absenteeism, which should yield more focus on work opportunities during sickness. The works council was closely involved in the decision to centralise the health and safety service.

Vitality programme

With our #DV4FIT vitality programme, we are trying to improve the physical and mental health of our employees. The programme has four pillars: mental fitness (including work-life balance), nutrition, physical fitness and financial fitness.

	Realisation 2023	Target 2023	Realisation 2022
Absenteeism	4.2%	4.0%	4.2%

To improve mental fitness, we work with the Mirro foundation, which offers online modules to work on, for example, worrying and anxiety, grief counselling, concentration and work and family. Employees can take the modules anonymously. Physical fitness received plenty of attention. For example, starting in September, we organised a step challenge in which 217 colleagues participated, together covering over 3,000 kilometres. In October, we encouraged smokers to quit as part of Stoptober. We offer free ongoing counselling for smokers who want to quit. On healthy eating, we offered three live cooking workshops and an online version in November. We also addressed financial health in 2023, for which we have a diverse offering from our partner YincQ.

Zwaarwerkregeling

The Zwaarwerkregeling allows employees covered by the Bouw & Infra Collective Labour Agreement to stop working up to three years before the state pension age. In 2023, 13 colleagues made use of this option.

Human rights and labour

We try to safeguard human and labour rights both within Dura Vermeer itself and in the chain.

Employees rights from our employer perspective

Undesirable behaviour such as discrimination and harassment has no place within our organisation. Such behaviour negatively impacts the working atmosphere and affects the well-being, health, self-confidence and performance of employees and consequently the quality of Dura Vermeer's services. Respectful interaction among employees and in business dealings with others is clearly important to us. Dura Vermeer considers itself responsible for creating a (socially) safe working atmosphere and develops measures and activities that contribute to preventing or ending undesirable behaviour. In December 2022, we introduced the Dura Vermeer Policy & Complaints Procedure on Undesirable Behaviour, which describes prevention, the tasks of the Confidential Advisor on Undesirable Behaviour and the informal and formal complaints procedure. We inform employees about this policy on our intranet and through other channels. The policy describes the procedures for making reports and the safeguards for confidentiality. Since we announced

this policy, social safety has been a more frequent topic of conversation within the organisation. Whereas physical safety has always been the main focus on the construction site, social safety is now also more often being discussed.

Employees who are faced with undesirable behaviour can refer to the Policy and Complaints Procedure on Undesirable Behaviour and contact one of our confidential advisors. To lower the threshold for approaching a confidential adviser, we have two internal and two external advisers, one male and one female in each case. Again, in case of (suspected) abuses, employees can contact our Compliance Officer or report them anonymously via the SpeakUp app, which can be used by both our own employees and external stakeholders. Contractors can also file an anonymous report at www.duravermeer.nl/opdrachtnemers.

One complaint was filed with the Complaints Committee in 2023.

Employees rights from our clients perspective

We operate in a long chain of partners. Dura Vermeer always performs the WAADI check - the Placement of Personnel by Intermediaries Act - and always works with companies certified under the Labour Standards Foundation [Stichting Normering Arbeid]. The rights and obligations of on-site employees apply throughout the chain, and are linked to our Code of Conduct and general terms and conditions. We also impose collective bargaining obligations on our contractors. Furthermore, we require their employees to be housed in accordance with the SNF quality mark. Dura Vermeer has access controls in place on its construction site in order to ensure that contractors meet our requirements. As a result, we regularly refuse people access who do not meet the set requirements.

Social safety
is more often
being discussed



“People and their competences are key”

The construction industry requires many ‘hard’ skills. But ‘soft’ qualities are crucial for success, especially now that tasks are challenging, projects are complex and stakeholders’ wishes are gaining weight. **Guus Keusters, director of Infra Landelijke Projecten**, found this in his PhD research at TU Delft. He is now trying to embed this in Dura Vermeer.

How did you come to join Dura Vermeer?

“Six years ago, Dura Vermeer gave me an opportunity to set up a professional design organisation that was deeply integrated in the Infra Division. In my experience, Dura Vermeer is an enterprising family business. This is reflected in the long-term perspective, its affection for its employees, and its flat structure. And there is a lot of openness, for example towards my PhD research. When I suggested that, people were very receptive.”

How did you organise your PhD research?

“It has to do with Dura Vermeer’s projects. That is why I could incorporate it into my work, as long as my job comes first. I have been working on it for 4.5 years now, often on holidays and weekends, and occasionally on Fridays. You have to really enjoy it, or you won’t be able to stick it out.”

What is your research about?

“I was puzzled that certain infrastructure projects go well and others go wrong. I was convinced that we could learn from that. This is clearly a global problem, because there is a lot of literature about it. I focused on the design and preparation side, which is often crucial for success. I expected the key would be in the contracting stage or in processes. But the main success factor is taking a

comprehensive approach, bringing everyone together who impacts the solution, stakeholders as well as implementers. I did more than eighty interviews with key officials on projects and the common thread was: it comes down to the people, to their competences. And a comprehensive approach requires curiosity, commitment, making contact and wanting to understand the other person. All that comes under the heading of empathy.”

And did that indeed prove to be the critical factor?

“I explored that further, working from the hypothesis that a team that can empathise well with other people or the environment produces a better project. I analysed eight construction projects executed by Dura Vermeer and other companies and measured teams’ empathy through a validated questionnaire. I used interviews to assess whether the project was successful on five criteria. Broadly speaking, the hypothesis is correct for projects in a complex environment where you have to bring together many wishes and requirements and work with different disciplines. I discovered another interesting thing: I asked a representative cross-section of 500 people from the construction industry about empathy, and this group scored lower on empathy than the global average.”



Was that a surprise?

“Not really, because it is a world of engineers, and they are not known for empathy. But our projects have changed tremendously over the past decades, from single-discipline building in greenfields to super-multidisciplinary building in a complex environment. This requires different competences on top of engineering and professionalism. Empathy is obviously a competence in itself. Incidentally, women score higher than men, even in construction, which underlines yet again the benefits of diversity. Working together is becoming more important, and it goes better if you want to understand each other. If all you have to do is drive 5,000 piles into the ground, empathy is not much use, though. It depends on the form of contract and the project phase.”

What are you going to do with this at Dura Vermeer?

“I have given presentations and we want to move this forward very gradually, because not everyone is going to be ready for it. But it is now a talking point. The most important thing is to realise that the changes that projects are going through touch on our people and competences and that this is what determines success. I measured the empathic abilities of several project teams. It was pretty

unsettling for them, but it did create some awareness. Putting empathy into practice is still tricky; it is not something you can learn by doing a course. It takes a long time to seep in, because making it concrete is not easy. But there are things you can do, like taking time to get to know one another. That will already make you more empathic. We already do this in project start-ups and project follow-ups with clients. And we are looking into how to incorporate it in plans and work it into our contacts with clients.”

Do you think this will be embraced throughout the industry?

“The impact of one's environment, the complexity and the number of disciplines involved in projects are increasing with sustainability pressures and pressure on space. More and more disciplines are entering our business that used to be alien to us as builders. Ecologists are already just as important as designers. If Dura Vermeer prepares for this well, we can excel at it and make a difference. It is going to help us with some of the biggest challenges, such as climate adaptation.”



STRATEGIC PRIORITY

CLIENT, MARKET AND SOCIETY

In a competitive market and the increasingly unpredictable economic and social conditions we find ourselves in, it is important to keep looking outwards.

Material topics in this context are strategic environmental management including comprehensive design, a healthy and safe living environment and affordable housing. Our corporate social responsibility and client satisfaction are key factors in this.

Corporate social responsibility

Dura Vermeer believes that everyone deserves a healthy and safe living and working environment with opportunities to grow in which environmental harm is minimised. This is the task at hand. Everything is interconnected: where your home is, whether you have a pleasant, healthy workplace, access to amenities, care, work and education, and whether you can pay your bills at the end of the month. What we build, where and for whom has a direct impact on the mobility and development of people, neighbourhoods and cities. A well laid out living and working environment facilitates diversity and equal opportunities, and enhances the strength and resilience of social structures.

Strategic environmental management

Environmental management is an important prerequisite for fulfilling our social responsibility in the best possible way. The demand for strategic environment management efforts is growing due to the increasing complexity of various social issues. Understanding stakeholders' needs helps us make informed decisions. We do this by already identifying the interests and needs of our stakeholders at the planning stage. We then incorporate these needs into the design and the plan of action. A design of an area, infrastructure work or building is only successful if stakeholders feel they derive benefits from it and if they see their interests safeguarded. This is how we can create support and predictability for the environment and its users.

Legally, the role of citizen participation is becoming more important and indeed mandatory. This requires an environment-sensitive developer and builder who creates added value for all parties by proactively working with other parties and taking their views into account. This is what Dura Vermeer wants to be.

Stakeholders

Stakeholders who we almost always involve in projects are local residents, current and future users, municipalities and

provinces (the competent authorities), utilities, emergency services, schools and business owners. Among the stakeholders are some that set the legal, regulatory and licensing frameworks. With these, we conduct periodic consultations.

Approach

At Dura Vermeer, environmental management proceeds in several steps. During the planning process, we focus on the wishes and needs of users and local residents. For example, we let them give their views on the design. This is done in design sessions and through individual interviews and digital tools. Jointly with the stakeholders we make project analyses of the environment in which we identify risks and draft measures to ensure safety, liveability and accessibility during implementation and in the use phase. In implementation, the emphasis is on proactively informing and communicating with the local stakeholders.

Initiatives

Dura Vermeer adheres to very high standards in environmental management. Digitalisation helps us do this. We have developed a digital stakeholder satisfaction measurement that allows us to deliver what we promised at the tendering stage and adjust projects where necessary.

In 2023, we carried out the first tenders and projects using an area information model (GIM). This allows us to assess, for example, the impact of a construction phase on local residents, ecological restrictions (such as the breeding

During the planning process we focus on the wishes and needs of the stakeholders



Sustainable area development WijCK in Pijnacker-Nootdorp.

season), potential archaeological risks or changes in traffic flows due to adjacent projects or events. Where BIM in 3D, 4D or 5D shows the technical challenges, GIM shows the challenges in terms of the local environment.

In 2023, we also explored how data can play a role in giving environmental management a more fundamental position within and outside Dura Vermeer, both in social and technical terms. We record data for and about our environment (such as customer requirements, stakeholder interests, travel times, traffic safety and customer satisfaction) in various applications. By linking this data, we can make better choices for customers and for design. We will follow up on this in 2024.

The number of inner-city (re)development sites in our portfolio has increased substantially, which also drives the need for more attention to the participation of the local residents, both to make plans that are the right fit for the environment and to keep the time required for processing the application as short as possible. A BLVC (Accessibility, Liveability, Safety, Communication) plan is required in certain municipalities. We want to start producing these in every project in every municipality.

Environmental management will get a further boost with the introduction of the Environment Act, in which

participation is a requirement. This is what our organisation in 2023 was further geared up for.

Comprehensive design

Strategic environment management helps to already make us aware of the social, environmental and economic interests and needs of stakeholders at the planning stage. We also use technology and data to map the areas where we work and its users. By integrating this information into our design, we arrive at the best possible solution.

Comprehensive design can also provide an answer to the complexity of design processes and projects, which is increasing as we have to take ever more stakeholders into account. The whole chain is involved: clients, contractors, consultants, suppliers and end-users. But sustainability also plays a key role in the increasing complexity: e.g. greenhouse gas emissions, biodiversity and water safety. We increasingly consider social aspects as well, such as accessibility to care and education.

Balancing spatial, ecological and social objectives ensures that we create a sustainably built living environment where people are in the best possible balance with themselves, their environment and the earth. This gives us impact

Partner selection

In area development, partner selection is becoming an increasingly common form of tendering. In this process, municipalities opt for a partner instead of a plan. Although there may be different interests between the collaborating parties, it is of great importance to work from a shared ambition for the area development. This ambition describes the joint desired final vision that should emerge in a place. To achieve this, we have an integrated approach in which social, ecological, and spatial quality go hand in hand. Together with municipalities and housing associations as full-fledged partners, we give substance to the layout of the area and the buildings. Our knowledge of the entire chain ensures that we can directly steer the feasibility of different scenarios. In this way, we do not work sequentially, but integrally towards the desired final vision.

across the board, from data-driven concept development to our implementation teams delivering on what we promise. By taking responsibility for the design, we largely determine what is built and how.

Approach

We always put people first. We actively look at all levels for what residents need to feel connected, to enjoy living in their homes and neighbourhoods, and to stay healthy and fit. With all the creativity that we can muster we pursue a strong identity that ensures connection and lasting value, especially for the relationship between people, context and the shared ambitions of all involved. By targeting all generations in an area, we create a balanced mix of housing products and amenities. This is how we develop vibrant neighbourhoods where travel distances are reduced and where people like to dwell, because generations live together and the streets are always full of life. By finding the optimal balance between materials, energy efficiency, value in use and experiential value, we also have a positive impact on people, the environment and the economy at building unit level.

In infrastructure development, we mainly work for public clients, and our design solutions have a major impact on the environment. With a comprehensive design for a dyke reinforcement, for example, we increase water safety but can also improve the living environment for local residents,

strengthen biodiversity and incorporate climate adaptation. For now and for future generations.

Our organisation is set up to provide comprehensive solutions. We put customer requirements first. Our Construction and Property Division works with comprehensive design teams led by design leaders who manage all disciplines. In the Infra Division and the Technical installation Division, the Environmental Management Department is part of the design organisation. This is because we feel that understanding the questions and wishes of the environment should be the first step in our comprehensive design process. Projects increasingly involve two-stage contracts, meaning that we, as a designing builder, can enter the project even earlier and bring our knowledge to bear even more effectively.

Initiatives

In 2023, we again invested in the development and training of our staff so that they can understand changing customer requirements and address them together. We also ensure we have access to the necessary knowledge through a strong network of partners.

Healthy and safe living environment

Who our target groups are, what they need, the identity of the neighbourhood and how we ensure connection between people are key questions to determine the principles for creating a healthy and safe living environment in our projects. Lessons learned and how we implement them have been translated into our comprehensive development vision Goede Buurt(t) [Good Neighbour(hood)]. Based on this vision we develop projects in partnership with our design studio iD and a host of outside experts. This helps to make clear to everyone what we add to and how we improve the places we develop. We analyse data on a multitude of subjects, such as mobility, social cohesion, the surroundings, biodiversity, connection, spatial quality, climate adaptation, behaviour and amenities. The findings, in conjunction with the neighbourhood research we do, provide the seeds for the development vision and strategy for a particular area. We look at the impact of our work in area developments and construction projects at area level in order to make conscious choices at every scale level. Examples of projects that have come to fruition in this way include the sustainable urban neighbourhood Elements in Haarlem, the inclusive urban district Suikerzijde in Groningen, RijswijkBuiten and the nature-inclusive and climate-adaptive Fruitmeester district in Beverwijk.



Environmental Management on the Uithoornlijn.

In infrastructure design and project implementation we also usually involve the local residents. A good example is the Uithoornlijn project.

or even energy-generating homes reduce housing costs significantly. We can build such houses. Making the existing housing stock more sustainable also helps to keep housing

Affordable housing

Everyone in the Netherlands should be able to afford their housing costs. Housing is a fundamental right and a prerequisite for a decent life. Dura Vermeer's contribution to this is to help ensure sufficient availability of affordable housing that suits people's life stage: first-time buyers, people moving up the housing ladder, small households, families and older people who are scaling down their housing needs. Working from our 5-generation model, we are committed to mixed neighbourhoods where there is a place for everyone. For each target group, affordable housing means something different. Affordability is not only important in the here and now, but we want the homes we build to remain affordable in the future.

Challenges and opportunities

For a long time, the buying market was healthy and housing costs were low, but this has now been reversed due to increased mortgage interest rates, scarcity of raw materials and high energy prices. Market prices are fluctuating, and we follow the market. Our organisation is attuned to it. Our managers monitor price developments in the market and the chain on a monthly basis. This is necessary to keep our organisation robust in today's market. Such challenges, however, are set off by opportunities. Energy-efficient

Uithoornlijn

Dura Vermeer worked for 2.5 years on the extension of the tram line from Amstelveen to Uithoorn. In such a large project, careful communication is essential and up-to-date information is important. We linked systems together, making all information about the environment visible, as well as reports from local residents. There was also plenty of direct contact with the local residents, including through an area caretaker who visited reporters and monitored the area. For residents, there were weekly consultation times at the Dura Vermeer information booth and every two months they could take a look at the construction site behind the site fences. Primary school pupils were given safety lessons. Together with residents, a plan was drawn up to incorporate the tram line in the environment in a greener way. This yielded a jointly supported proposal for more space for flora and fauna. All this ensured a good relationship with residents, as confirmed by the 8 or higher satisfaction scores we got.

costs manageable. The same applies to vacant properties, which we transform into sustainable housing. And we build affordable housing for housing associations.

Initiatives

One methodology for Dura Vermeer to deliver affordable housing is conceptual construction. In conceptual construction, a reference house is taken as the template for other houses, enabling us to speed up the construction process. We do this with the residential concepts PCS Pro (precast concrete construction) and Aer (industrialised wood construction, a circular and bio-based concept) (see box). We are also exploring the possibilities of digitalisation. Digitalisation makes construction smarter and more efficient, so we can deliver more value with the same number of people and resources through standardisation. We do this using the Virtual Factory platform. Conceptual construction may offer housing associations a possible solution in their quest to build more houses quickly. It would be incorrect to assume that this leads to

Housing concepts

The answer to the housing shortage in the Netherlands lies not only in speed, numbers and affordability, but also in healthier and more sustainable construction. Dura Vermeer's conceptual answer to 'affordable sustainability' is called Aer. This is our latest development that fits into our conceptual housing 'tradition'. This is how we make the transition from linear to circular housing construction: 70% of the materials are bio-based and the building elements are detachable, so suitable for high-quality recycling.

The PCS housing concept was launched back in the 1980s, and has since been used to build thousands of homes. In 2023, it was updated to PCS Pro, which consists of fifteen scalable housing types with low-carbon precast concrete construction.

Dura Vermeer also offers a 'renewvation' concept called Blokje Om. This involves demolishing outdated social housing down to the foundations, and building new timber homes on those foundations in just twenty working days. We also recently launched our Blokje Op concept, which comprises adding floors to existing apartment buildings in timber construction.

uniformity: this methodology allows for relatively great architectural freedom.

Better control over the chain

Dura Vermeer wants to take responsibility for its entire chain. Partly for this reason, we have increasingly focused on socially responsible procurement (MVI) in recent years. With our procurement policy, we aim to address the effects of climate change, strengthen the development towards a circular economy and create job opportunities for people at a distance from the labour market.

Our approach to this has grown organically and developed along the lines of Social Return on Investment (SROI), the Net Zero strategy and the SDGs. To make MVI more efficient, we collated all activities and existing policies into a central MVI policy in 2023. Central policy allows us to have better control over actions both within our company, but certainly also in the chain, and to report on them. Furthermore, it has laid a solid foundation for further development in this area.

We have a Code of Conduct for Suppliers, to which we refer in all procurement contracts. We expect our contractors and suppliers to act in accordance with the principles and requirements set out in this Code regarding integrity, protection of human rights, safety and the environment. The principle is that they also impose these rules of conduct on the parties they engage.

Regarding SROI, the procurement contracts with our contractors stipulate concrete obligations for the percentage of people hired with a distance to the labour market. The sustainability aspects in our MVI policy are a standard part of our negotiations and discussions with suppliers, contractors and consultants. We select these parties partly on the extent to which they actively and innovatively pursue the topics we have formulated in our policy.

Where possible, we source materials from the Netherlands. If this is not possible, we source within Europe, and only outside Europe if there is no other way. Our aim is to have a clear picture of our supply chain and the impact of the transport of raw materials and semi-finished products. For this, we map as much data as possible.

We also want to make more use of materials passports. We want to be certain that the materials we buy have been produced without exploitation or child labour. By setting social conditions in the procurement process, Dura Vermeer is helping to improve international working conditions.

Given the high impact of wood, asphalt, concrete and steel, we have drawn up specific policies for these materials that include certification and quality marks, reduction of harmful emissions and recycling.

Client satisfaction

Good cooperation largely determines client satisfaction. We find that our clients increasingly value the methods by which Dura Vermeer has fulfilled their demand. By having discussions early on in the process, making agreements at the start and regularly reflecting on the cooperation in the interim, we can continuously respond to the client's expectations. This leads to a predictable end-result and higher client satisfaction.

Client satisfaction is measured on every project (also in the interim). The Net Promoter Score (NPS) is our main tool for measuring client satisfaction. This is a group-wide KPI for business clients, such as investors, housing associations and central and local government, but not for consumers. We do have a KPI for customer satisfaction, but it is not used throughout the group and so we do not report on it in the annual report. The target for client satisfaction in both the Construction and Property Division and the Infra Division is an NPS of 75. The Infra Division achieved the target in 2023; the Construction and Property Division did not.

We include the results of the client satisfaction survey in the improvement meter and feed them back to the project teams. Any optimisations are implemented in the process or project. Thus, the surveys are part of an improvement loop. If required, in-depth discussions are held with our clients on this basis.

#1 in Cobouw Reputation Monitor

After years of being at the top of the Cobouw Reputation Monitor, Dura Vermeer was ranked first in 2023. Every two years, Cobouw measures the reputation of the fifty largest construction companies in terms of name recognition, cooperation, company positioning and market position. Cobouw's report called Dura Vermeer a well-known construction company with a high conversion rate from recognition to cooperation. We were characterised as distinctive for sustainability (housing and electrical equipment), for our in-house design group and our challenging projects. The most frequently mentioned spontaneous associations with the Dura Vermeer brand were: reliable, innovative, big, professional, construction, family business, customer-oriented. We are proud of achieving this position at the top of the rankings and of the assessment of the judging panel.

NPS and response rate	Realisation 2023	Target 2023	Realisation 2022	Response 2023	Response 2022
Construction and property division	70	>75	96	52%	52%
Infra Division	76	>75	80	67%	58%

“We need the knowledge and skills of the construction industry!”

There are major challenges around water safety. To address them, water boards and the construction industry need to work together. And what is indispensable for both is guts and innovative entrepreneurship, said **Rob Kleijwegt, director of Water Safety and Flood Protection Delta Programme at the Rivierenland Water Board.**

What developments do you see in water safety and water quality?

“Perhaps the most striking development is that the weather is becoming more erratic. You see this both in rain levels - regional flooding due to precipitation as we had last winter - and in droughts, with summer water shortages. We have to learn to deal with those, for example, by having water and soil guide spatial planning policy decisions. There is also increasing focus on nature and sustainability, as with the nitrogen issue and pollutants such as PFAS.”

What is the impact of these developments on society?

“Combined with other social trends, the pressure on the use of scarce space is increasing. Where do we give priority to nature, to business, to agriculture, to housing, to energy generation? The associated issues are also becoming increasingly complex. This applies not least to implementation: issues like participation of local residents, limited emissions of substances, clean energy and circularity. That requires cooperation throughout the construction chain. We therefore want to involve the construction industry in projects from early on. This is one of the reasons for working with what are referred to as

two-stage contracts, in which client and contractor work together right from the design stage. Based on our role as client, we create opportunities for innovative solutions as early as during the selection of the contractor. This had led for example to WattHub, the fast-charging facility for heavy construction equipment conceived at the Tiel-Waardenburg dyke reinforcement, which we are carrying out with Dura Vermeer and others.”

You mentioned some great opportunities, are there any risks?

“The main issue is that this complexity, with many different parties involved, takes up too much money and time. As an industry, we need to innovate to keep the work we are up against achievable and affordable. The labour market is another risk that many parties face. This underlines the importance of working together in the chain to prevent overuse of scarce labour resources. We have few civil engineers, for example, when we desperately need them. In that, we have to consider each other's interests.”

How does the water board respond to this?

“As a functional government authority, Waterschap Rivierenland tends to opt for a role-based approach. As a



water board, we do not campaign on issues like nitrogen, spatial planning and climate change, but we do respond to them. We create opportunities for innovation and take part in applied research. For example, we prevent water seepage through dykes by not only installing plastic or steel sheeting, but also with cheaper and more environmentally friendly coarse sand barriers. This is an innovation in which the water board has been closely involved. Another example is the grass that fixes the soil on the dyke slopes. We are searching for grass mixtures that are more resistant to drought. These are some small steps that together will make a difference. They have to, because the challenge we are up against is huge: of all the dyke reinforcement projects in the High Water Protection Programme at the 21 water boards and Rijkswaterstaat, over a quarter are in Rivierenland.”

How can the construction industry prepare for this?

“The knowledge and skills of the construction industry will be invaluable in the design and implementation of our projects. We prefer not to conduct the conversation from the traditional client-contractor relationship, but prefer to work together in two-stage contracts and find the best solutions together. We must have the courage to

implement innovations. Innovations from elsewhere are not always used because it seems safer to ‘keep doing what we always do’. Both the client and the contractor must show this courage. Again, the WattHub is a prime example; it was a mix of the ambition of the water board, entrepreneurship and the courage of the contractors themselves. They devised a wonderful plan that fulfilled our wishes. And so you see that you can also make an impact together. The hub was officially opened by the king, and that ceremony brought people together and created a snowball effect. That in turn mitigates the risks I mentioned earlier and creates new opportunities.”

How do you feel about your collaboration with Dura Vermeer?

“We work together constructively. We clash occasionally, but on both sides there is a willingness to find solutions. And we both learn from each other. For example, working safely is something that Dura Vermeer has got down to a tee. And we pick up on that. So we nudge each other in the right direction, and that benefits the construction sector as a whole. Ultimately, attitude and behaviour are crucial factors, because it is not the organisations that work together, but the people!”



STRATEGIC PRIORITY **FINANCIAL RESULT**

Despite all the challenges, 2023 was a successful year for Dura Vermeer. Nearly all the operating companies contributed positively to the results and scheduled work increased. Operational excellence and cost control are essential to streamline work processes and reduce failure costs.

Operational excellence

For Dura Vermeer operational excellence means delivering quality, trying to avoid wasting raw materials and working hours, reducing failure costs and being reliable and predictable. We achieve this by continuously improving our organisation, work processes and products and services. This allows us to remain competitive, be a learning organisation and ensure our continuity, and results in a financially healthy organisation that can continue to invest in its employees and its ambitions. It also earns us a reputation as an attractive employer, and helps us to stand out as a well-organised and attractive party for clients and suppliers. This keeps us at the forefront of the market.

Our ambition is to reduce failure costs to below 1% of revenues. We did not achieve this in 2023. In addition, we aim to fully evaluate all projects, looking not only at the process but also at behaviour. This will generate learning points for us that we get from both the team and the client. What are the causes of deviations, what are the underlying circumstances and/or reasons for them, and how can we learn from them?

Dura Vermeer categorises operational excellence in the strategic priority Financial result, but the topic is intertwined with several of Dura Vermeer's other strategic priorities and innovation ambitions, such as safety, digitalisation and sustainability. It is also closely linked to personal leadership. We see that by working on the strategic priorities, we are realising more and more integrality within the company.

Operational
excellence closely
linked to
personal leadership

Uniform processes and project control

A key component of operational excellence is uniform working practices based on standards. These standards are continuously reviewed and updated based on the experience of our operating companies.

In 2023, our processes were uniformed still further. A methodology was developed in which all parties involved report on failure costs in the same way. The next step is to categorise the causes of failure costs so that we can even better identify what these causes can be traced back to. For this, it is necessary that the data are not only complete, but also easy to cluster. Based on evaluations, we can then improve the approach in subsequent projects. To get to this point, we have gone through a transition towards daring to be more vulnerable about our actions. This signifies huge progress. Making mistakes is allowed; this is inherent in our Seeing Acting Learning culture programme. Openness about mistakes made is necessary to improve, because it allows us to take lessons learned forward into future projects. This is part of being a learning organisation.

We believe it is important to instil the Seeing Action Learning culture and our commitment to discussing mistakes made in new employees. This is therefore an important part of the induction training programme for new employees.

Leadership

An essential element in the Seeing Act Learning culture programme is personal leadership: whether and how lessons learned are passed on to colleagues and shared with each other depends heavily on leadership. Managers are facilitated and trained to do this properly.

We strive for proactive leadership in contract management. This means that when, for example, we see an anomaly occurring, we engage with the client early on to see how we can resolve it together and help each other make improvements. Another example are start-up meetings, which we hold as early as five weeks before the start of a new project phase. This encourages production teams to look ahead. If we can and dare to look ahead, we can



respond to change more easily and quickly, which reduces risks. Such proactivity makes us a forward-thinking organisation.

Operating income, result and scheduled work

Despite many challenges, both our operating income and our results in 2023 were good. Operating income increased by 3.6% to almost € 1.9 billion (2022: € 1.8 billion), and our net income increased by 2.4% to € 51.4 million. A net margin of 2.7% was achieved for 2023 (2022: 2.8%). The composition of the operating income and the result has changed, however.

Operating income

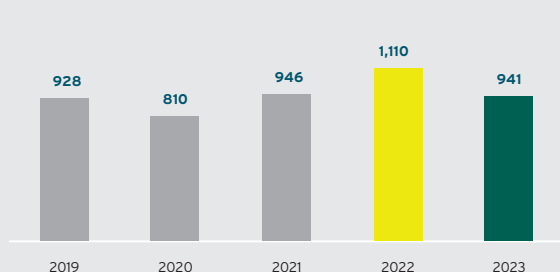
The Construction and Property Division's operating income declined by 15.2% in 2023 compared to 2022. In residential housing construction and in particular in our own development activities, we were hampered by complex and delayed permit procedures. Partly as a result, the number of homes sold (ground-level and apartments) developed by Dura Vermeer fell from 548 in 2022 to 483 in 2023. However, in 2023, we completed great projects such as Alliander Westpoort's new regional office in Amsterdam and the Hortus Ludi housing project in Nijmegen.

The Infra Division had a successful year partly thanks to replacement and refurbishment projects, projects under the High Water Protection Programme and contracts in the energy segment. Operating income increased by 23.4%. Due to the nitrogen crisis, the government announced in early 2023 that it would not initiate any new infrastructure

(Amount x 1 million)	2023	2022
Residential construction	941	1,110
Infrastructure	874	709
Technical installation	78	15
Other	5	-4
Eliminations	-14	-12
Total	1,884	1,818

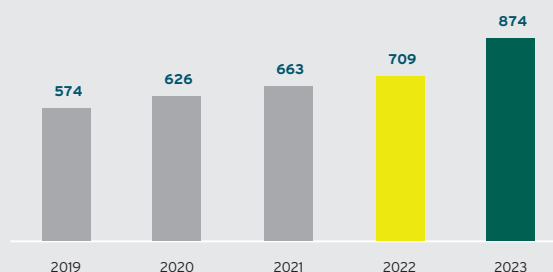
RESULT CONSTRUCTION AND PROPERTY

Amounts € 1 million



RESULT INFRA

Amounts € 1 million



projects over the next few years. Maintenance projects for existing infrastructure did go ahead to make up overdue maintenance. For us, this included the renovation of the Heinenoord Tunnel. Due to the significant amount of maintenance work, the outlook is favourable for us for the near future. A bottleneck for achieving maintenance targets are materials shortages and price increases. Besides replacement and renovation projects, we carried out more work in the water and energy segments in 2023. Two major projects in this context are Waaksaam in North Holland and Windplanblauw in Flevoland.

The Technical installation Division's revenues increased from € 15.1 million in 2022 to € 78.4 million in 2023. The acquisition of Nexton was the main factor in this.

The outlook for the mechanical and electrical engineering sector remains good; building systems are becoming increasingly important in the built environment.

Result

The 2023 result after taxes came to € 51.4 million. Despite sharp price increases, we managed to maintain our result fairly well. We achieved this through strategic procurement, making clear agreements with our clients and constant focus on project management. We are increasingly able to identify deviations from a plan or errors at an early stage (e.g. by using digital tools), so that we can quickly make adjustments or enter into discussions with our customer/client about what steps should be taken.

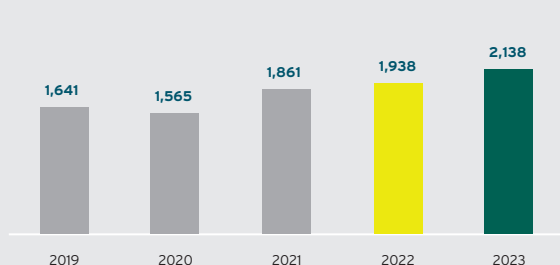
Scheduled work

The scheduled work (work still to be carried out and newly acquired work) increased by 24% in 2023 to € 4.3 billion (2022: € 3.4 billion). When concluding new contracts, Dura Vermeer focuses on projects that strike a responsible balance between our risk profile and the returns. We aim for sustainable growth in the product-market combinations that are relevant to our expertise, thus making a positive contribution to the future living environment.

Amount x € 1 million	2023	2022
Operating result before depreciation and amortisation (EBITDA)	87.2	85.1
Depreciation	-20.4	-14.3
Earnings before interest and taxes (EBIT)	66.8	70.8
Net interest income	2.3	-2.2
Profit (loss) from participating interests	3.4	2.4
Taxes	-18.7	-18.2
Minority interest in result	-2.4	-2.6
Profit (loss) after taxes	51.4	50.2

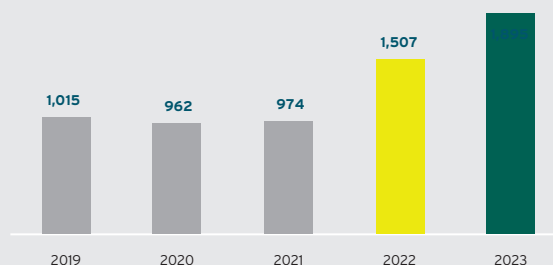
SCHEDULED WORK CONSTRUCTION AND PROPERTY

(Year-end; x € 1 million)



SCHEDULED WORK INFRA

(Year-end; x € 1 million)



The Construction and Property Division's scheduled work increased by 10% from € 1.9 billion at year-end 2022 to € 2.1 billion in 2023. The Infra Division also showed handsome growth from € 1.5 billion to € 1.9 billion. Finally, the Technical installation Division grew as well, mainly due to the acquisition of Nexton in early 2023.

Of the total scheduled work at year-end 2023, approximately € 1.7 billion is expected to be carried out in 2024. The remainder of the scheduled work will be done in 2025 or later.

Balance sheet

Dura Vermeer's financial position remained strong, with a solvency ratio based on equity of 30.5% (2022: 30.8%).

The balance sheet total increased by € 117.7 million to € 983.5 million at year-end 2023 (2022: € 865.8 million). The balance of cash and cash equivalents increased by € 16.8 million to € 250.2 million.

At year-end 2023, equity amounted to € 300.2 million (2022: €266.7 million), an increase of € 33.5 million compared to the previous financial year. This included the € 51.4 million net profit for 2023 and the interim dividend payment for 2022 of € 20 million.

Financing

At year-end 2023, Dura Vermeer Groep NV had a committed bank facility with three banks. This facility involves a Current Account Facility of € 50 million, a Revolving Property Project Facility (for both commercial and residential property) of € 90 million and a Guarantee Facility of € 200 million. We had not drawn on the Current Account Facility and the Revolving Property Project Facility at year-end 2023. With regard to the Guarantee Facility, the banks had issued guarantees for an amount of € 84.7 million at year-end 2023 (year-end 2022: € 70.8 million).

Amount x € 1 million	2023	2022
Fixed assets	197.0	169.5
Current assets	536.3	462.9
Cash and cash equivalents	250.2	233.4
Balance sheet total	983.5	865.8
Equity	300.2	266.7
Solvency	30.5%	30.8%

Dura Vermeer has agreed solvency, leverage and interest coverage ratios with banks. As was the case at year-end 2022, all ratios at year-end 2023 amply satisfied the standard values contained in the financing contracts. Besides financial ratios, non-financial ratios were also agreed. These concern KPIs for Male-Female diversity, Environmental Performance of Buildings (MPG) and reduction of carbon emissions. Of these non-financial ratios, only the MPG exceeded the target (0.5) at 0.64 over 2023.

As security the bank syndicate has been granted a first and second mortgage on buildings and land for an amount of € 25.9 million (year-end 2022: € 31.0 million). Collateral has been provided, trade receivables being the most important in this respect.

In addition to the banks, three mutual insurance associations have provided guarantee facilities totalling € 175 million (2022: € 175 million). At year-end 2023, guarantees totalling € 125.2 million had been issued by the mutual insurance associations (2022: € 109.0 million).

Financial instruments

As part of its ordinary activities, Dura Vermeer makes use of a range of financial instruments that expose the company to market, interest rate, cash flow, credit and liquidity risk. These are financial instruments that are recognised in the balance sheet. To manage these risks, Dura Vermeer has drawn up a policy including a system of limits and procedures to limit the risks of unpredictable adverse developments in the financial markets and thus the financial performance of the company. Dura Vermeer holds no derivative financial instruments such as interest rate swaps, forward exchange contracts or currency options and does not trade in these derivative instruments. If a counterparty defaults on payments due to the company, any resulting losses are limited to the market value or the carrying amount of the relevant instruments.

Tax policy

Our tax policy is aimed at complying with tax laws and regulations. This implies that we abide by the applicable tax rules and do not seek out grey areas. Compliance with tax requirements is monitored through our Tax Control Framework (TCF). This includes the relevant risks and control measures for the material tax types (VAT, transfer tax, payroll taxes and corporate income tax). These measures are part of our internal processes and procedures. In addition, we use external advisors where necessary. The correct implementation of the tax control measures is checked periodically.

We pursue an open and long-term relationship with the Tax Administration. This relationship is formalised by means of horizontal monitoring. The TCF and our periodical review of the tax control measures are important means by which we demonstrate that we adequately control our tax risks. In March 2022, the existing covenant was renewed for a period of three years. In 2024, we will start preparations for the renewal of the covenant in 2025.

We strive for
an open and long-
term relationship
with the
Tax Administration



“Capital is a means, not a solution”

What can a builder and a bank do together to accelerate the energy transition? Rabobank Senior Relationship Banker David de Bondt's focus area is clients in the built environment. Dura Vermeer is one of his customers. He discusses the role of both industries in the transition.

What is Rabobank's role in the energy transition?

“As a cooperative bank, we incorporate sustainability in all our business activities, helping our customers future-proof their operations, homes and businesses. In line with the Paris Agreement, we recently launched the Energy Label Roadmap, focusing on existing buildings and energy labels. Every organisation has unique needs and we believe our efforts, including informal knowledge sessions and new partnerships, can help ensure a smooth transition to a more sustainable future.”

How do Rabobank and Dura Vermeer relate to this theme?

“We share the same societal ambition to move faster on sustainability. As well as supporting Dura Vermeer financially, we are happy to share our expertise on the challenges facing the energy transition in construction. These include bio-based construction, storing emissions in timber constructions and electrification of construction equipment. Rabobank has a lot of expertise. We work with solution providers, including smaller companies and start-ups, and can mobilise our network to help our customers achieve their supply chain sustainability goals, for example by organising cross-sector roundtables.

This brings people together and creates ideas that are less obvious, which can be a real eye-opener.”

What role can Dura Vermeer play in this transition?

“It is precisely in people's daily lives - i.e. living, working and mobility - where there are opportunities for sustainability. We often look at new construction, but existing buildings in particular need to be addressed. On the energy side, there is also a major challenge. The capacity of the power grid must be raised, and this is where construction plays a big part. Engineering technology can make important contributions to sustainability. The challenges extend beyond the current capabilities of the industry, if only in terms of the workforce required. At the same time, the future looks very bright: there are many long-term drivers and the underlying trends are strong.”

How important is the financing side?

“In investment issues, banks can play an important and meaningful role. It takes guts to back business models that have yet to prove themselves. Besides providing loans, we can also directly participate in companies that enable the transition. I believe in knowledge and networking



being the differentiators and catalysts. Capital is a means, but not the solution.”

How does Rabobank address these challenges?

“We are deeply rooted in society and want to deliver customer-oriented, innovative solutions. We want to challenge the current status quo and push boundaries. Success in business goes hand in hand with sustainability and making the energy transition happen. For example, we finance energy-as-a-service solutions, which are usually complex and capital-intensive. A few years ago, these were tricky questions for us, but with a lot of thought, we developed an efficient and scalable Energy-as-a-Service loan. Now we can finance these kinds of projects, and help builders free up investment capital.”

How has the construction industry been developing in recent times?

“Over the past few years, I have seen great changes and focus on the future, and that is necessary given the challenges that we are up against as a society. The industry already offers many solutions and is developing others. I believe that clients should think more in terms of future-proofing. Let’s set the bar high. Making price the key factor in tenders is a sure way to stall any

progress. When margins are narrow and there is not much capital left, how can you invest? Reinvesting profits in innovations and new solutions, that is to say in society, is something we welcome. In fact, we feel it should be one of the requirements in tenders. In our view, this is the way to build a better world together, as we rely on the power of collective growth and taking responsibility.”

How would you describe the relationship between Rabobank and Dura Vermeer?

“Our longstanding relationships with construction companies, including Dura Vermeer, are invaluable to us. Working with Dura Vermeer is a pleasure. The company operates openly, transparently and with a smile. And it has a strong image: Dura receives high reputation scores in certain surveys. To its credit, Dura Vermeer is well regarded by its stakeholders and has a good starting position in a still challenging employment market. Our relationship with Dura Vermeer is built on trust and cooperation, and together we can tackle every challenge and opportunity in the industry.”



INNOVATION AMBITIONS **SUSTAINABILITY**

Sustainability is one of our three innovation ambitions. We are working hard to reduce the harmful impact of our construction and infrastructure projects on the living environment. In doing so, we take responsibility not only for the direct emissions from our own operations, but for those of the entire chain.

The construction industry in the Netherlands accounts for 50% of the consumption of raw materials, 40% of energy consumption and 35% of CO₂ emissions (source: AT Osborne 2020). Construction impacts nature because of resource extraction, land use, local emissions and loss of biodiversity. Conversely, climate change also impacts our business. One example would be the physical risks due to extreme weather and raised water levels, which can damage structures or delay construction work.

Dura Vermeer is fully focused on circular and nature-inclusive construction, because we wish every generation a viable future. We cannot do this alone; we can only do it together with others.

In our 2022-2024 strategy, we have set three goals within our Sustainability innovation ambition:

- Zero emissions: we want to reduce our emissions of CO₂, nitrogen and other harmful gases to zero.
- Circular construction: we design and build taking future use into account, preferably by using renewable raw materials. This is also how we drive circularity in our value chain and our industry.
- Greener and healthier: projects are designed and built to be nature-inclusive and climate-adaptive.

In order to speed things up, we made our ambition and targets concrete by launching our Towards Net Zero strategy in 2023 and emphasised CO₂ reduction.

Towards Net Zero

Because we want to take responsibility, we will speed up the process by halving our direct as well as indirect emissions by 2030 compared to 2022, and by 2050 we will achieve at least 90% CO₂ reduction compared to 2022, and offset the remainder. Our ambition is to play a more significant role in making the construction sector more sustainable. By joining forces with the chain, we ensure that the sector will contribute positively to a future-proof society. That is why we introduced our sustainability strategy Towards Net Zero in 2023: everything we do adds up to zero emissions. In 2023, we submitted our near-term and Net

Zero targets for validation to the Science-based targets initiative (SBTi). The Science Based Targets initiative (SBTi) promotes ambitious climate action in the private sector by enabling organisations to set science-based emission reduction targets. For more information on the SBTi, see <https://sciencebasedtargets.org/>.

With energy-neutral buildings, zero-emission vehicles, sustainable transport and zero-emission construction sites, we are reducing our energy-related emissions. Through more circular design, using secondary and bio-based materials and turning waste into value, we extend and close cycles. In doing so, we make sustainable use of the raw materials that are still available and reduce materials-related CO₂ emissions. Finally, by creating greener and healthier environments, we contribute to a better climate, both for the earth and for humanity.

CO₂ emissions can be divided into three categories, known as scopes. Scope 1 comprises the emissions emitted from our own facilities, such as from our own gas use. The (indirect) emissions that arise from the generation of, among other things, purchased electricity and heat in plants that are not our own are known as scope 2 emissions. Our scope 1 and 2 CO₂ emissions are released from offices, equipment, asphalt plants and the leased car fleet. Scope 3 comprises the (indirect) emissions from our value chain, upstream and downstream, such as the building materials and services we procure for our projects and from the energy consumption of the homes and offices built by us during their lifetime.

As early as 2022, we have established a uniform methodology for measuring scope 1, 2 and 3 emissions, based on the Greenhouse Gas Protocol, an internationally recognised standard for accounting for and reporting greenhouse gas emissions by companies. All relevant emissions were listed and we did a baseline measurement. This included mapping all our scope 1, 2 and 3 emissions from internal and external data and information sources. This showed that 96% of Dura Vermeer's CO₂ emissions are in scope 3, 4% in scope 1 and 0-1% in scope 2. So scope 3 is where the most gains can be made, but this is also the most challenging scope, as it deals with emissions in the chain, including those of our contractors and suppliers.



The baseline measurement gave us insight into where we can make the biggest impact. With the implementation of tailor-made roadmaps per division, we introduced even more focus and we have been able to set concrete long-term goals and corresponding measures within the divisions for Emissions to O and Circular Building. In the sustainability strategy Towards Net Zero, everything adds up to zero emissions. This is especially true for the main strategic goals Emissions to O and Circular Building. But emissions also play a role for the Greener and Healthier goal, because the more greenery, the more CO₂ is sequestered and the lower our climate impact.

Topics

With the Towards Net Zero strategy we focus on three topics: chain cooperation, circular design and the zero-emission construction site.

Topic 1 Chain cooperation

Collaboration with supply chain partners is essential to complete the journey Towards Net Zero. We can only achieve the desired acceleration by setting frameworks, informing and challenging each other, taking risks together and leading by example with sustainable business. It is crucial that we work together on the basis of trust, in all openness and honesty, and with the shared Net Zero ambition in mind. A good example of successful chain cooperation is WattHub, the charging station for heavy electrical equipment we are deploying in project Dijkversterking Tiel-Waardenburg (see page 84).

There are several conditions for chain cooperation to succeed. The first is trust, which is necessary for cooperation and the pursuit of a shared goal.

Availability of data is also a precondition. Not enough life cycle assessments (LCAs) are currently available, as manufacturers do not have up-to-date data on their products yet. We are in discussion with our suppliers to see how we can fill this gap.

Topic 2 Circular design

With circular design, we can cut CO₂ emissions substantially. By starting from circular principles in the design, we start the construction process from the Net Zero idea. We are designing more using secondary and bio-based materials. We also reuse raw materials and products for high quality applications where possible, or give them a new purpose. If there is no alternative, we recycle the raw materials. And when a structure comes to the end of its life, we reuse elements or turn them into new building materials. Reuse ensures continuity and maintains project lead times, as raw materials are often not available on time or are very expensive.

Topic 3 Zero-emissions construction site

A zero-emissions construction site contributes to a pleasant living and working environment, as the air is cleaner, there is less noise pollution and CO₂ and nitrogen emissions are low or zero. There is increasing focus on this in the industry. Our own equipment for construction and property is already almost 99% emission-free, and we have an ambitious growth path for our heavy equipment for infrastructure projects. By 2030, we aim to have completely zero-emission equipment on our infrastructure projects. This is two years ahead of Rijkswaterstaat's target for the infrastructure sector. We have an investment agenda for zero-emission equipment that shows what equipment we are replacing and when. We are making our own investments, electrifying the equipment together with our partners.



Net Zero impact areas

We focus on the impact areas of materials and energy, as these allow us to reduce most CO₂ emissions in scope 3. We describe the results of the commitment to our impact areas later in this chapter.

Impact area materials

As part of circular construction within our Sustainability ambition, we will increasingly reuse and work with more sustainable variants of materials. In 2023, we developed a circular concept in the Construction and Property Division for the future of housing. We reduce our emissions by recycling and using sustainable materials, such as bio-based materials and low-carbon concrete. In 2023, the Infra Division made progress in smarter and more sustainable design, with fewer primary and more low-carbon materials, when constructing engineering structures such as bridges, viaducts and tunnels. For road paving, we continue to focus on more sustainable asphalt and paving materials and aim to realise a zero-emission asphalt plant with our partners. For track, we set the standard of circular and low-carbon materials and reuse of sleepers and rails. The Engineering Division will use existing or alternative materials in smarter and more efficient designs.

Environmental performance of buildings

Dura Vermeer has a target for the Environmental Performance of Buildings (MPG). The MPG is a measure of the environmental impact of the materials used in a building. This measure is used by the Construction and Property Division in new housing projects (own

development). When applying for a permit under the Environment and Planning Act, it is mandatory to calculate the MPG for new office buildings and newly built houses. To meet the legal requirement, houses must achieve a score of below or equal to 0.8. For offices, the figure is <1.0. For 2023, our target was below or equal to 0.5. We did not achieve this target: our score was 0.64. However, our MPG did remain well below the regulatory requirement of 0.8. This target has created more awareness within the organisation, and it has changed our invitation of external consultants, encouraging them to think about improvements. To lower the MPG, we pay attention to lifecycle extension and material choices, for example.

Building Balance

In September 2023, Dura Vermeer signed a letter of intent from Building Balance to jointly scale up the application of bio-based sheet material. We are part of two groups of frontrunners that are jointly looking for product application opportunities and exploring the requirements for application areas to match the needs of the construction industry. Two types of sheet material are now under investigation: a bio-based interior sheet made from water and fibre, and a sheet made of water-repellent biocomposite. These materials could potentially be used by the Construction and Property Division in the near future. This would allow us to reduce CO₂ emissions from the materials we use. By signing, we commit ourselves to considering applications, establishing requirements and technical specifications, and testing and purchasing approved products. We also act as ambassadors.

The New Normal

On 7 December 2023, Dura Vermeer signed the manifesto 'Circular construction: the New Normal'. This is an initiative of the Ministry of the Interior and Kingdom Relations, in which the Rijksvastgoedbedrijf, Rijkswaterstaat, the municipalities of Amsterdam, The Hague, Rotterdam and Utrecht, Dura Vermeer, Heijmans, Van Wijnen, Volker Wessels, BAM and Synchroon will work together on the programme 'Accelerating together'. The initiator is Cirkelstad, a platform for frontrunners in circular and inclusive construction. The New Normal is working on establishing a single language for circular construction, helping to make circular ambitions for projects or organisations concrete, asking for performance figures in projects based on indicators and ultimately evaluating the project.

Circulaire hubs

Urban Miner is our circular construction hub in 's-Gravendeel. Used building materials and components are stored there and processed for reuse, either by Dura Vermeer or by external clients. The objective is to reuse complete components to the extent possible. To achieve that, designs are adapted to available components. Urban Miner also processes demolition materials into high-grade new raw materials. This is done in our social workshop. There is also a separate social wood workshop for scrap timber. Properties scheduled for demolition are digitally surveyed, after which Urban Miner supervises the demolition and harvests materials for reuse. Urban Miner additionally lowers the number of transport movements. Inner-city logistics from the site at its own quay are electric, for which a hypercharger was constructed. And transport by ship relieves the surrounding road network.

In 2023, we undertook several activities at Urban Miner. For example, the Blade-Made circular chain project was completed. This successful project investigated how wind turbine blades could be reused. We immediately put this collaboration into practice: in 2024, we will build a pilot noise screen made of wind turbine blades along the A58 motorway. For the Lorentz Casimir Lyceum in Eindhoven, we were able to reuse a series of aluminium window frames and delivered some 90 tonnes of reused steel beams. For small quantities of recycled material that is not of interest to Dura Vermeer itself, we work with a local ecosystem of small contractors. Finally, our social workshop made standing tables from old dunnage used in Dura Vermeer's stand at the Provada real estate fair.

We feel the presence of circular hubs in different regions is very important as it allows us to reduce the number of transport movements, which cause a lot of emissions, especially for large components. That is why we are working with Dura Vermeer Infra Region North West and others parties to create a circular hub for infrastructure components in that region. Together with Rijkswaterstaat, we want to store building elements released from local demolition for reuse, such as bridge girders.

Circular beams

Dura Vermeer is part of the Liggers2.0 consortium. This consortium has signed a cooperation agreement with Rijkswaterstaat to use several hundred harvested girders from the A9 on other Rijkswaterstaat projects in the years ahead. This scale-up is the follow-up to the 2022 pilot in which reused beams were used in the Hoog Bureel A1 viaduct.



Weener XL

Weener XL, the work and development company based in 's-Hertogenbosch for people at a distance from the labour market, was in need of a new work location. The new building is highly sustainable: it consists largely of a wooden supporting structure. Solar panels and heat pumps provide power generation and heating. It is a sustainable and inspiring working environment.

Hof van Descartes project

In the Hof van Descartes renovation project in Amsterdam the sustainability gains are huge. 144 old social housing units were extensively renovated, extending their lifespan. They were mainly insulated on the inside and made gas-free. Lock-up garages and attics were converted into 34 full-fledged homes. Due to these interventions fewer primary raw materials were used than in new construction.

Sustainable materials

Of the materials we use, concrete is the biggest challenge in terms of emissions because of the polluting ingredient cement. We use a lot of concrete in construction and infrastructure projects. Unfortunately, there are not many sustainable alternatives on the market yet. Together with our concrete suppliers, we look for mixtures with a lower footprint, circular concrete and opportunities for reuse. To accelerate this mission, we are committed to the Concrete Agreement.

Dura Vermeer has embraced timber construction. To continue building within the confines of the Climate Agreement, timber construction is a promising and high-impact development. Timber construction also contributes to a healthier living environment. That is why we are committed to at least 20% wood construction by 2030. We are also making efforts to increase the proportion of recycled asphalt. Reusing asphalt saves primary raw materials. Dura Vermeer works closely with the Asphalt Recycling Company (ARB). Through the use of ARB granulate, which consists of high-quality ZOAB milled asphalt, and with the dynamism of our own asphalt development, we are increasing the circularity in surface courses.

Another development contributing to climate-neutral and circular infrastructure is the Asphalt Recycling Train (ART). With the ART, 100% of the existing old surface is reused

We apply circular principles already in the design phase

directly on site in a new course. This means huge savings on primary raw materials and transport movements.

Dura Vermeer will use more circular bitumen in base and intermediate asphalt layers. For this, we are partnering with our start-up Roof2Road. The bitumen comes from roofing bitumen, which is low in PAHs and tar and can be fully recycled. New bitumen is extracted from petroleum and in asphalt accounts for as much as 30% to 50% of the total environmental impact. The environmental benefit (MKI) of circular bitumen is between 12% and 42%, depending on the proportionate content.

Sustainable platform retaining walls

For ProRail's Perrons Op Norm programme, we worked with concrete manufacturer Bosch Beton, which designed a platform retaining wall with less reinforcement steel in their new BREAAAM Outstanding certified plant. A platform retaining wall is a wall along the platform that is exposed to heavy loads. The new design also allows for far more efficient and therefore more sustainable transport. We are now applying the optimised retaining walls at several stations across the country.

Reuse of points and sleepers

In Zeeuws-Vlaanderen, Sloe and Oosterhout, we worked on track renewal. Our task included replacing old sleepers and points at various locations in Zeeland and North Brabant. Through close cooperation with chain partners and ProRail, we achieved a high percentage of reuse: on average 70% of two types of sleepers were reused. We were also able to reuse half the points.

De Circulaire Weg

To build, maintain and remove roads, bridges and other infrastructure works without having a major negative impact on the environment and resource use, the partner programme De Circulaire Weg was created in 2020. a partnership between Dura Vermeer and the municipalities of Amsterdam, Amersfoort and Veenendaal, Rijkswaterstaat, Ballast Nedam, Sweco, NWB Bank, phbm and TU Delft. With a new business model, De Circulaire Weg makes it easier for clients and contractors to implement projects in a circular way. Several pilots were completed in the first partner programme of De Circulaire Weg in 2023. In Amersfoort, this included replacing two bicycle bridge decks; we reused the released bridge deck board as pedestrian bridge deck boards after treatment. The second partner programme started in February 2023.

Office and project waste reduction

Dura Vermeer works continuously to reduce waste streams. The biggest waste streams are related to our projects. In 2023, our waste stream collected by our waste processor

We are making our waste suitable for reuse

decreased by almost 19%. 18,752 tonnes were disposed of in 2023 (2022: 23,077 tonnes). Over 80% consisted of construction, demolition and office waste. This is not representative of the entire waste stream, as we make arrangements where possible with our contractors and suppliers to take back packaging and the like after delivery to the construction site.

By being even stricter on waste separation and focusing more on circular construction, we are making our waste suitable for reuse.

Impact area energy

Using less energy saves CO₂ emissions. In the Construction and Property Division we go beyond what is required by law: instead of focusing on BENG (Nearly Energy Neutral Buildings, as included in the building code), we have been aiming for ENG (Energy Neutral Buildings) since early 2022. The Infra Division opts for zero-emission equipment under the slogan '*Emissievrij, tenzij*'. The Engineering Division focuses on alternative design, procurement and digitalisation & monitoring, applying new technologies and monitoring energy consumption.

Zero-energy construction

In zero-energy construction we reduce energy consumption in the use phase of the projects we realise. One challenge is that we want to construct buildings with the lowest number of systems, but plant legislation gets in our way. To meet BENG standards, building systems are matched to a building's floor space. If the building is more energy-efficient, the systems must still match the floor space. This is where the MPG and BENG rules clash.

CO₂ performance ladder

We have applied the CO₂ Performance Ladder since 2010. Dura Vermeer is at Level 5 in the CO₂ Performance Ladder, the highest level achievable. A company at level 5 shows that it takes responsibility not only for its own organisation, but also for the entire industry.

Sustainable procurement

Our sustainable procurement policy is part of the Socially Responsible Procurement (SRP) policy. On Net Zero, we ask our suppliers and contractors for carbon footprint reports according to NEN-ISO 14064-1, preferably verified by a certifying body. We require our contractors to prove the origin of timber with internationally recognised independent Chain of Custody certification. In this context, we recognise PEFC, ESC, FSC and quality marks based on equivalent principles as evidence of proven origin from sustainably managed forests. The General Procurement and Subcontracting Conditions (AIOV), in which various sustainability topics are laid down, are part of all procurement contracts we conclude.



Hoornbrug project

The Hoornbrug bridge is an important access artery for Rijswijk and The Hague. Instead of building a completely new bridge, the existing bridge was renovated for the province of South Holland in collaboration with Hillebrand, Rowij and Krenvoord. The bridge's lifespan was extended by at least 25 years. The bridge was made more future-proof and energy-efficient during the renovation. All the electrical systems were replaced, the mechanical part was partially replaced and the concrete was repaired, refurbished and preserved.



Towards Net Zero: our results in 2023

Dura Vermeer's total CO₂ emissions in 2023 were 540,000 tonnes CO₂ equivalent (2022: 572,000 tonnes CO₂ equivalent). This means we achieved a 5.6% reduction. This reduction includes an increase in absolute CO₂ emissions in scope 1 and 2 and a decrease in absolute CO₂ emissions in scope 3.

Scope 1 en scope 2: CO₂-emissions

Dura Vermeer's absolute CO₂ emissions in scope 1 and scope 2 in 2023 were 29,500 tonnes of CO₂ equivalent (2022: 26,500 tonnes of CO₂ equivalent), an increase of 11.3%. In line with the GHG Protocol, Dura Vermeer adjusted its CO₂ methodology in 2023 as part of its baseline measurement. This has resulted in some differences in the numbers compared to the 2022 annual report. The overall difference is 8.2% (24,500 tonnes of CO₂ equivalent in

2022 annual report versus 26,500 tonnes of CO₂ equivalent in this annual report). Our leased car fleet and our asphalt plants are the largest contributors to CO₂ emissions in scope 1 and 2, with 49% and 31% respectively.

For a detailed breakdown of our scope 1 and scope 2 CO₂ emissions, see Chapter 9.

Our leased car fleet

By 2030, we aim to have reduced emissions from our total fleet (including company cars) to zero. In scope 1, one of our goals was to reduce our CO₂ emissions by increasing the share of electric passenger cars in our fleet to at least 35% by 2023. At year-end 2023, this share was 37.9% (2022: 26.7%). So we achieved our target. Across the company, there has been a strong focus on electrifying the fleet. This has resulted in an increase in total energy consumption (expressed in kWh) and distance travelled electrically: a 59% increase in electrically driven kilometres. At the same time, diesel consumption for lease cars decreased. However, the proportion of kilometres driven in petrol cars increased due to growth of the workforce, including the acquisition of Nexton in January 2023.

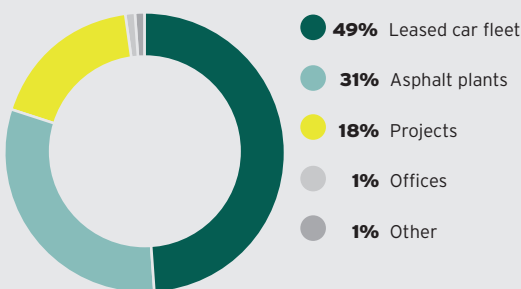
In 2023, the number of diesel cars (passenger cars and commercial vehicles) decreased by 20% to 371 (year-end 2022: 463). There were still 99 diesel-powered passenger cars in use at the end of 2022, and this number had decreased to 24 at year-end 2023. A car is on order to replace 16 of them.

Our asphalt plants

By 2023, Dura Vermeer had two own asphalt plants. Natural gas is needed to produce asphalt. Lower temperatures and more environmentally friendly asphalt mixtures have reduced emissions by 8% per tonne of asphalt produced. However, total emissions from these asphalt plants

SCOPE 1 AND 2: CO₂ EMISSIONS

Amounts (tonnes of CO₂ equivalent)



increased due to higher production, resulting in 4.4 million m³ of natural gas being used in 2023, compared to 3.2 million m³ in 2022. Total emissions in 2023 therefore increased by 39% to 9,232 tonnes of CO₂ equivalent (2022: 6,641 tonnes of CO₂ equivalent).

In December 2023, we closed our plant in Nijmegen and sold the site to the municipality of Nijmegen. The gradual merging of residential environments around the plant, together with local residents' concerns about liveability and the political desire to close the plant, led to this decision.

In 2023, Dura Vermeer made significant progress in the area of asphalt, building on our ambition for sustainability and innovation. It was agreed with the market to lower the temperature when applying asphalt from the usual 160 degrees Celsius to 140 degrees Celsius. We are conducting research to ensure the performance of these innovative mixtures and evaluating their applicability in various environments. We are also taking steps to develop new asphalt mixtures with a higher proportion of recycled material, in cooperation with our partner ARB. We are constructing successful trial sections in the Dutch road network, which allows us to validate the performance of these innovative mixtures and yields valuable feedback from our clients. This collaborative approach not only strengthens our position as a pioneer in sustainable infrastructure, but also underlines our commitment to delivering high-quality and future-proof solutions.

We are also focusing in our Net Zero strategy on achieving a zero-emission asphalt plant by 2030.

Our equipment

Making equipment sustainable is not a matter of just replacing diesel engines, it requires a different way of thinking and of charging or supplying. We already involve our facilities company Dura Vermeer Materieel in the tender phase; it realises the charging infrastructure on the projects. We take into account the capacity of the power grid and deploy innovative solutions such as hydrogen generators. Our Construction and Property Division already uses almost completely zero-emission equipment. For the Infra Division, the challenge is greater because it mostly uses our own heavy equipment. At the end of 2023, 35% of the heavy equipment was electrically powered. Our goal is to operate with completely emission-free equipment by 2030.

Electric asphalt set

We have been operating an all-electric asphalt set since 2023. The set consists of a 9-tonne tandem roller and asphalt spreader, a 10-tonne static roller, a 2.5-tonne tandem roller, a small sprayer truck and a fully emission-free site hut. The machines operate on replaceable battery packs on which they can run for a full working day. This brings completely emission-free operation on our projects another step closer.

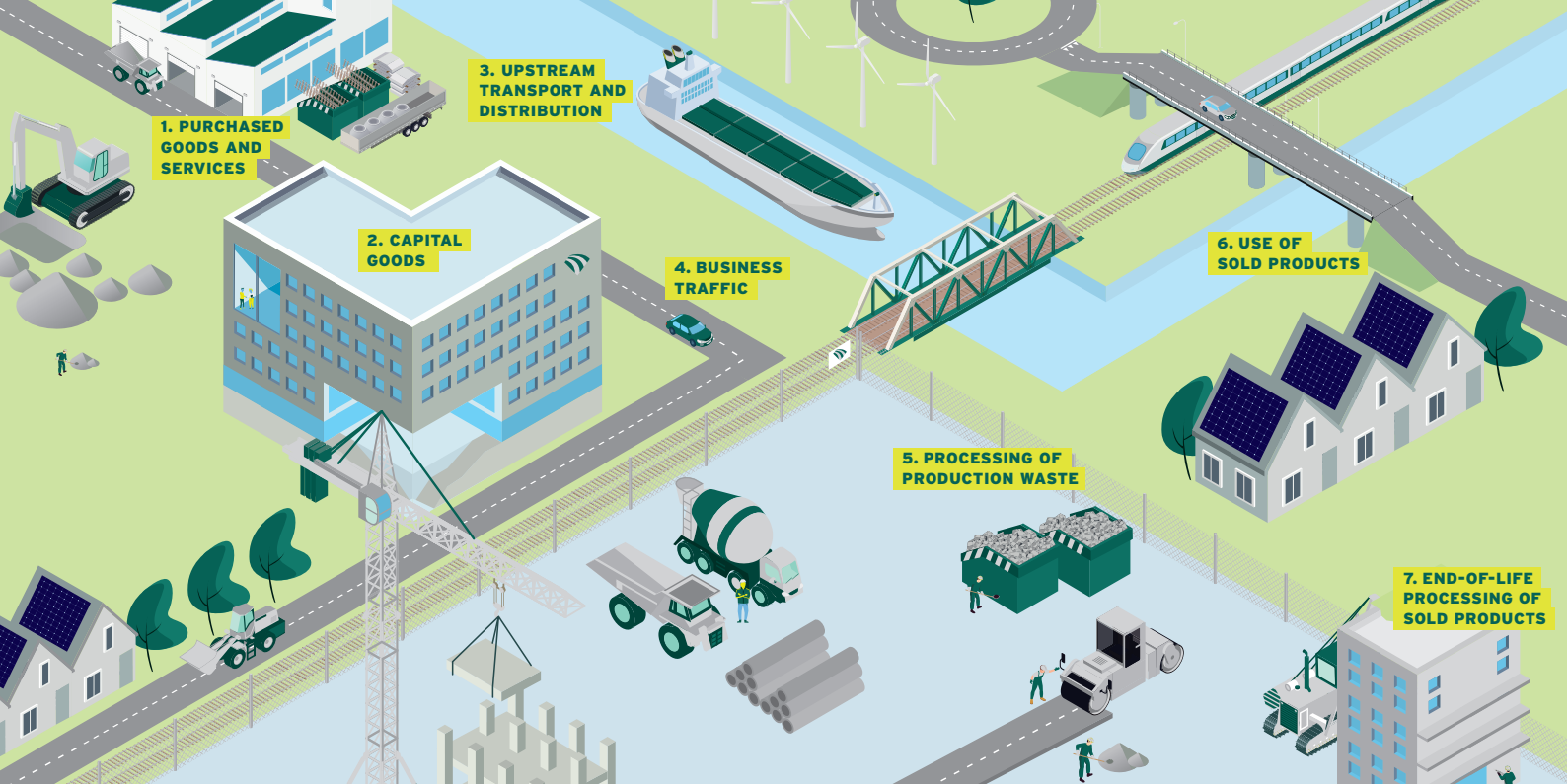
We are finding that industry-wide, the transition to zero-emission equipment is not proceeding fast enough, as it requires major investment. We want to make those investments, but the government as our client also has a responsibility, which it can take by setting requirements and showing it is willing to pay to have its projects implemented emission-free.

Our offices

Our goal is to increase annual renewable energy procurement to 100% by 2025. Currently, 80% of our procurement comes from renewable sources. The power is used for the projects and offices under our own management and where we can choose the power contract. Where we do not choose the electricity connection, we do not always know whether green electricity is being used.

	Realisation 2023	Target 2023	Realisation 2022
% of Fleet that is electric¹	37.9%	>35%	26.7%

¹ Deze indicator betreft de personenauto's binnen ons wagenpark. De bedrijfswagen vallen hierbuiten.



Scope 3: CO₂ emissions by category

Scope 3: CO₂ emissions

With the launch of Towards Net Zero in 2023, we started working towards reducing our carbon emissions on projects in the materials and energy impact areas. We do this using a methodology based on the Greenhouse Gas Protocol. Emissions are measured in a number of categories, of which the procurement of goods and services category is the largest.

Our target for 2023 was to reduce CO₂ emissions by at least 3%. The impact of our measures is not yet visible, as they are mainly focused on new projects, the vast majority of which will not be implemented until mid-2024. Even so, the first report (CO₂ emissions in 2023) shows that we

achieved our target with a 6.4% reduction. Dura Vermeer's absolute CO₂ emissions in scope 3 in 2023 were 510,500 tonnes of CO₂ equivalent, which was 35,000 tonnes of CO₂ equivalent below the 2022 benchmark. However, this reduction was largely due to the positive adjustment of the emission factor for the Dutch power grid, as a result of the greening of the grid. This adjustment resulted in a substantial reduction in emissions for the user-phase of the homes and buildings constructed by Dura Vermeer.

For more information on our CO₂ and energy-related disclosures, see chapter 9.

Greener and healthier

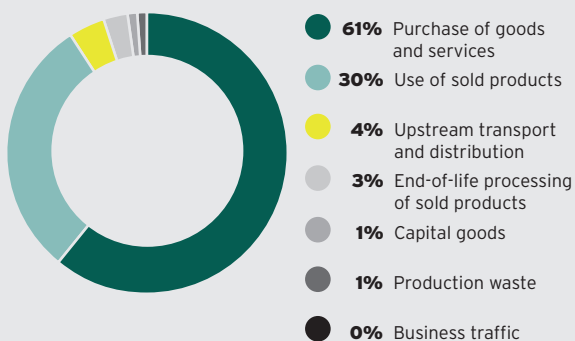
We take nature into account wherever we build. Our ambition is to keep the environment where we work at least as green and preferably even greener after we finish. This is better for the climate, for people and for biodiversity. A green environment has been shown to have a positive effect on health and well-being. For a liveable future for all, only a positive impact on the surrounding ecosystems and zero emissions is good enough. That is why we are increasingly building nature-inclusive.

Nature ladder

The plants and shrubs along our rail tracks, waterways and motorways put together constitute the largest nature reserve in the Netherlands. As it is largely managed by construction companies, the infrastructure sector can play a big role in making it climate-proof. To this end, Dura Vermeer and Heijmans have jointly developed the five-step

SCOPE 3: CO₂ EMISSIONS BY CATEGORY

Amounts (tonnes of CO₂ equivalent)



Nature Ladder, and made it available to all parties in the market, which makes nature-friendly construction possible in practice. Companies on Step 1 are building nature-unaware. At Step 2, ad hoc nature-friendly measures are taken. At this step, the Nature Ladder contains measures that companies can take. Companies at Step 3 take stock of climate adaptation and nature opportunities in a structured way, and discuss them with the client. Step 4 requires collaboration with stakeholders and other parties. Tier 5 means nature-adaptive building, in which biodiversity and climate adaptation are fully integrated into the process.

Uithoornlijn

Dura Vermeer has already used the Nature Ladder several times on projects, including the Uithoorn line. This is a new tram connection to Uithoorn that links up with the existing tram line between Amstelveen and Amsterdam South. In the Nature Ladder baseline measurement this project emerged as the leader in 2023, scoring step 4 of 5. Many nature-inclusive measures are applied, such as noise screens planted with climbing plants, native flower and herb mixtures, bird nesting boxes, a bat pole, insect hotels, kingfisher walls and duck baskets. We also realise an ecological hedge, construct nature-friendly banks where possible and finish sheet piling with floating vegetation rolls.

Value-driven maintenance Uiterwaarden

As Combinatie Uiterwaarden, Dura Vermeer and Brunel are jointly implementing the Value-Driven Maintenance Uiterwaarden project. The project comprises maintaining and managing the land in the floodplains around the river IJssel in the most natural way possible. Six priority nature reserves have been identified within our IJssel plot of land for which we have drawn up management strategies. Natural values are enhanced here in tailored solutions. We do this using the Nature Ladder. Measurements have showed that on average we were at step 3; our goal was to grow to step 4 by December 2023. We engaged ecologists and contacted local working groups, cooperatives and nature associations to add additional elements, such as nest boxes. Innovative ideas quickly followed, as technical people with knowledge of nature developed new insights together.

NL Greenlabel

In June 2023, Dura Vermeer entered into a partnership with NL Greenlabel. This organisation has developed a framework that provides a scientific methodology for qualitative and quantitative assessment of both the vegetation and the environment. This renders sustainability ambitions for external space concrete and measurable, and puts nature-inclusive construction within reach. Applicants can gain insight into the quality, risks and opportunities



With Struikroven the greenery that needs to be removed is saved and replanted elsewhere.

of a site or area and can implement the measures from the scan and then monitor its progress. The labels and passports issued after a test offer a coherent overview of all sustainability aspects.

Struikroven

During construction or renovation, healthy shrubs, bushes and plants often have to make way. Struikroven is a foundation that rescues existing greenery from gardens and public gardens and repurposes it in private gardens, public spaces or the temporary Roverstuin. Struikroven works with local residents and for housing associations, property developers and municipalities. To make saving greenery the norm in demolition, renovation and redevelopment of an area, Dura Vermeer signed a cooperation agreement on 15 March 2023 with a number of strategic partners and the Struikroven Foundation.

The Nature Ladder makes nature-friendly building possible in practice

“We keep each other focused on sustainability”

The longstanding partnership between Dura Vermeer and Oss-based contractor Ploegam is yielding some wonderful feats. They complement each other extremely well, also on the route to Net Zero. The dyke strengthening project between Tiel and Waardenburg, for example, is already being carried out virtually emission-free. **Gijs Ploegmakers, managing director of Ploegam, and Theo Winter, member of the board of Dura Vermeer,** discuss the strength of their partnership and the challenges on the road towards Net Zero.

Ploegam and Dura Vermeer are like yin and yang, complementary in knowledge and expertise. Ploegam specialises in heavy earthwork and water resources engineering, and Dura Vermeer in engineering and construction. Together, they oversee each other's scope, and keep each other on their toes. Gijs Ploegmakers, managing director of Ploegam: “Our partnership gives us an edge in tenders and projects.”

The zero-emission construction site

In the tender for the dyke reinforcement project Tiel-Waardenburg, the Ploegam - Van Oord - Dura Vermeer combination was awarded four As for its Plan of Action. One was for a zero-emission construction site. Theo Winter, member of the Dura Vermeer Management Board: “But when we wanted to charge our electric equipment, there was not enough power available. At the start of the tender, this was a real issue. So then a few bright minds developed WattHub.” WattHub is a charging station for electric equipment that runs on green electricity from an adjacent solar panel farm and wind turbines from Betuwewind. Gijs: “Betuwewind was looking for new land

for wind turbines and solar panels. We were able to provide that, right next to our dyke reinforcement project.” WattHub has been so successful that other private solar and wind farm owners are showing interest, because they too can no longer feed their power back into the grid. In this way, green power can be used directly for major construction projects and transport companies.

Joint innovation drive

So Ploegam and Dura Vermeer are making major progress on the electrification of large equipment, especially on larger projects, where there is time and investment space available to convert new machines and trucks to battery technology developed in-house by Ploegam. So the two family businesses are innovating together. Gijs: “For the De Groene Boog project Dura Vermeer asked if we could supply an excavator with an electric motor instead of a diesel engine. And so that is what we did, with the grant Dura Vermeer received for this.” Asphalt machines must also be modernised. “The challenge is for these machines to be able to run a full day without interruptions. That means being able to recharge quickly and smartly,”



Gijs Ploegmakers (left) en Theo Winter (right)

Theo said. “We pull our chain partners into the electrification transition by offering them long-term contracts. They can then show these contracts to the bank to get loans to make the switch.”

Towards using fewer and different materials

“The next step on the road to Net Zero is to emit less CO₂ by using different and less materials,” Gijs explains. “In Tiel-Waardenburg, we reuse basalt blocks from our own works as foundation material. The soil that is left over we use elsewhere, e.g. in supporting embankments.” Theo: “You can often replace traditional materials perfectly well with reused or crushed material from the surroundings. But purchasers then have to sign off on something that may not yet be fully in line with current standards. Testing recycled material costs a lot of time and money. In dyke reinforcement projects, there is time to do that, but in other infrastructure works there rarely is.”

Testing and lobbying

The companies are also pulling together in the materials transition. First, by working together to convince clients

that it a transition is necessary, and that it will have major benefits for the planet and the local environment. Dura Vermeer is also focusing on the lobbying process, which is needed to get TNO and legislators to create more room in the applicable standards for different materials, and lower material use. Theo: “I don’t understand why we still don’t have a chair of Recycled Materials in the Netherlands.” Ploegam makes hands-on contributions to accelerating the material transition by looking for different materials to use in its projects. Gijs: “We sometimes sit on a dyke for days testing stuff.”

Impact through collaboration

Are we going to reach the Net Zero targets? Theo: “In early 2023, we formulated our Towards Net Zero strategy, which aims to halve our emissions by 2030 and be fully zero-emission by 2050. Across the company, colleagues are working every day to put this into practice. But we cannot do it alone. So partnerships like this one with Ploegam, which can work just a little faster than we can, are invaluable in this transition. Together, we can have more positive impact.”



INNOVATION AMBITIONS **DIGITALISATION**

Digitalisation is one of our three innovation ambitions, along with Sustainability and Innovation. Thanks to digitalisation, the construction industry is developing at a rapid pace. This is due to the rate at which new technological capabilities are emerging and the ever-increasing expectations of clients.

Our ambition

Dura Vermeer's ambition is to be an industry leader in digitalisation and innovation. To achieve this, we develop digital solutions and services in cooperation with innovative partners that enable us to stay ahead in the market. We also design our organisation and processes in such a way ('agile') that we can deploy and use technologies in the best possible way.

We work towards these ambitions and goals based on the vision that Dura Vermeer, as a director in the construction chain, must establish a technological position that enables us to be flexible, agile and adaptive. To achieve it, we need to develop our own (data) products with which we exchange data but retain ownership of it, so we do not become dependent on suppliers and we can make a difference for clients. This requires a solid cloud-based infrastructure.

Digitalisation of the construction process

We are continuously optimising the construction process, including by being at the forefront of new Building Information Management (BIM) applications, such as 5D BIM. BIM stands for digital collaboration in the built environment. BIM is about comprehensive management and (re)use of digital building information throughout the life cycle of a structure. This is how we increase the quality, efficiency and speed of the construction process. It also increases our agility and allows us to work together as a network organisation in different locations and control the work in real time.

Standardisation

We are developing new user-friendly standardised processes and investing in training our people. Standardisation is a long-term issue in an organisation that naturally thinks in terms of unique projects, but it is a prerequisite to be able to capitalise on the opportunities that digitisation and data offer. A key reason why we standardise is to make better use of our scale. It is also a good tool to speed up the digitalisation learning process.

Initiatives

We took a range of digitalisation initiatives in 2023.

Construction logistics calculation model

An important development is that of the construction logistics calculation model. This is an application that allows us to calculate the number of necessary transport movements at the start of a construction project. We can use this data to take measures together with the client to minimise our impact on the environment and reduce our emissions at the same time. With insight into our CO₂ and nitrogen emissions, we can choose other materials or suppliers and thus reduce emissions in a targeted way.

We are developing digital solutions together with innovative partners



Structural safety digital tool

Structural safety is crucial in the construction process. To achieve it, we work with a checklist that must be completed before the start of the work. Since a digital tool is more scalable and reliable, we decided to build one ourselves. This is being done in collaboration with the Knowledge Portal for Structural Safety (KPCV), and together with other major construction companies, because safety is not something we want to compete on. In 2023, four design sprints were completed and the prototype was tested. We expect to roll out the tool nationwide through KPCV in the first quarter of 2024. After the creation of the Dismantling Lifts guideline in 2021, which we initiated, this is another example of how Dura Vermeer shares knowledge and experience with all stakeholders for the common good.

5D BIM

We have introduced 5D BIM, a five-dimensional way of visualising the physical and functional elements of a construction project. In 5D, compared to 3D BIM, the dimensions time, schedule and of money are added. This gives us overall insight into the entire design process, especially on the quantities of critical materials needed. Looking at materials in a uniform way makes it easier to manage them, and we can see more readily what the impact of materials is.

Digitalisation on the construction site

We have also deployed new techniques on the construction site itself. For example, we are increasingly applying applications and dashboards on screens in the site hut or on the tablets of employees on site. Information is available faster and updated in real time and across projects. One innovative tool is Gamma AR, which allows us to use Augmented Reality to put an extra layer over BIM that gives insight into an infinite number of parameters.

Geographic information system (GIS)

Whereas project data used to be retained only locally, we now upload data on infrastructure projects everywhere into GIS. If we return to a previous project site, all data about it are available in GIS, including the activities carried out for example for drainage and for data on cables and pipes. The data are entered and retrievable in (ownership) layers in the map.

Rail Data on Map

In 2023, Dura Vermeer Railinfra made strong progress on Rail Data on Map (RDOK): unlocking relevant rail data on maps. This data helps at various stages of a construction project. In interviews with end-users, we collected data needs. In 2023, existing information from the client, data from the design office, data from GPS poles on cables and pipes and other data were visualised.

Self Service Business Intelligence (BI)

With dashboards, we create insights based on data, allowing us to steer on KPIs, for example. This is important for major issues such as safety and Net Zero, and for Scope 3 in Net Zero in particular. As of 2023, employees can create their own dashboards based on controlled datasets using Self Service BI. Whereas the IT department used to be responsible for creating a dashboard or tool, our employees can now create a dashboard themselves. This increases our employees' independence, speeds up the process and promotes data-driven working.

New technologies

A key development in 2023 was the rapid rise in the construction industry of Artificial Intelligence (AI). AI provides a broad palette of capabilities for controlling processes. It can be useful when modelling in BIM, for planning projects and subsequent management and maintenance, for controlling budget and risks, coping with staff shortages and even analysing safety on construction sites.

We are investing in applying the technology, e.g. by teaching our staff AI skills to use for such things as analytics and modelling. To learn how to use AI, we create use cases that clarify what the impact is and whether it makes sense to use it more broadly. An example of an AI application at Dura Vermeer is calculating the score of tenders in relation to the client's requirements. We can improve the tender based on the outcome. AI software is also being used in the design process to make even better choices for particular materials in relation to CO₂ emissions.

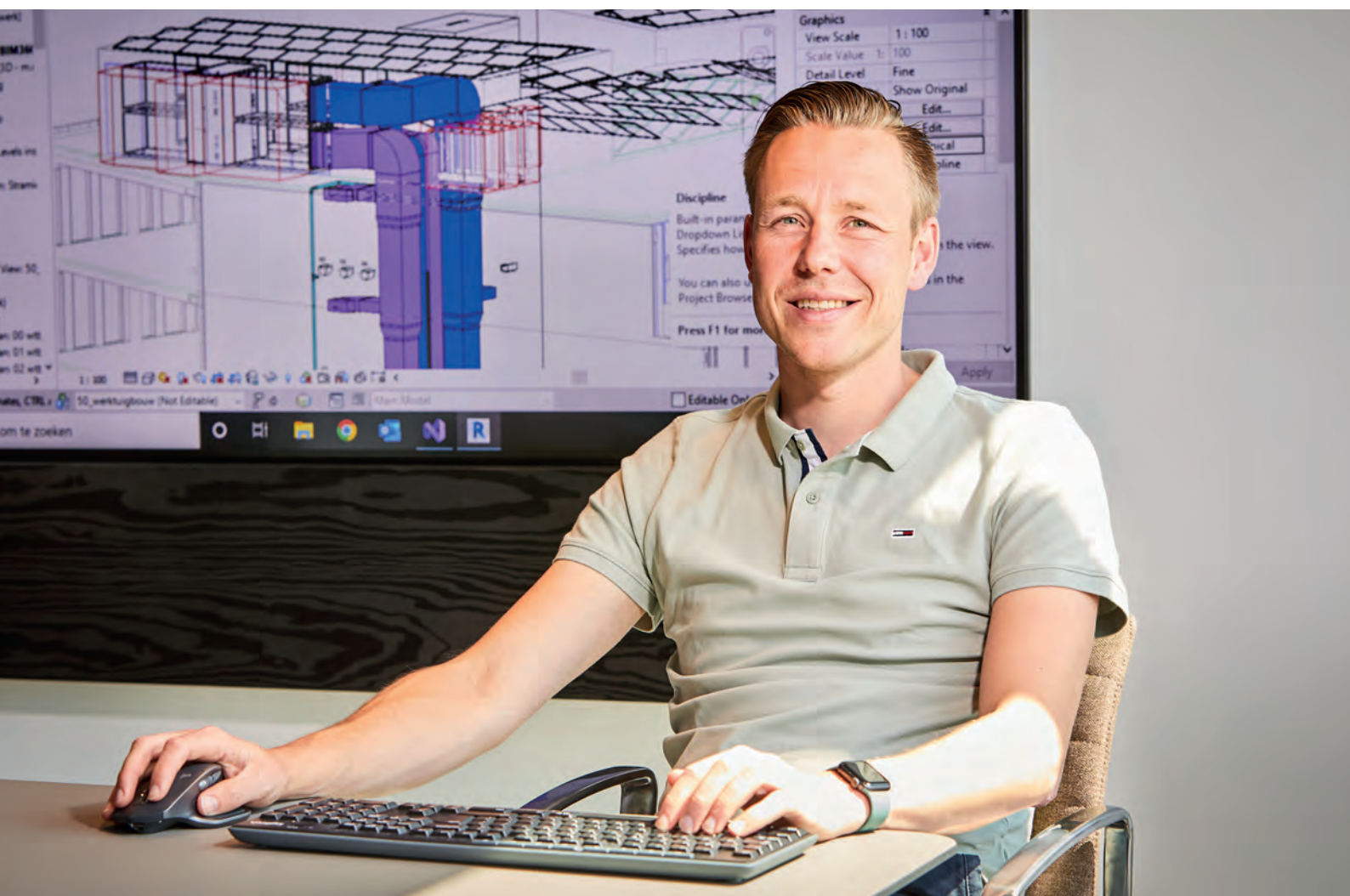
Digitisation and HR

The effects of digitalisation in HR are also growing. We see that the importance of Artificial Intelligence in the workplace is increasing and that this also impacts the well-being and working comfort of our employees. The same applies to the impact of sustainability. In 2024, we will focus on the effects on our working conditions.

We will also make greater use of HR Analytics to optimise our human resources management based on data. One way of doing this is by linking various HR dashboards, such as from our Academy, to allow us to see the overall effect of our investment in people and measure how much of our investment is reflected in advancement and outflow. This allows us to use data to make better predictions for our policies and workforce. Having been awarded Top Employer status in 2023, we now have a benchmark against which we can track where we stand.

Outlook

Digital innovation and transformation is an ongoing process. In 2024, we will continue to focus on the developments we have already set in motion so as to continue to ensure a stable base for digital growth. We will enhance the resilience and agility of the organisation and increase the engagement of employees, clients and partners. We will also invest heavily in new technological developments.





INNOVATION AMBITIONS **INNOVATION**

Innovation is one of Dura Vermeer's three innovation ambitions, in addition to sustainability and digitalisation. These three topics are almost always intertwined in construction and infrastructure projects.

In relation to sustainability, our ability to remain innovative impinges upon our right to exist. Innovation through digitalisation impacts our competitiveness in terms of cost, speed, flexibility and reduction of failure costs. Therefore, we need to build smarter in innovative ways and push the boundaries of what is possible in the industry. In doing so, we motivate and encourage our own employees, as well as our clients, suppliers, partners and subcontractors. Dura Vermeer explicitly chooses not to innovate alone, but to do so together with our (chain) partners. The priority is to create maximum value for our clients, and innovation makes that possible, for example by reusing materials, by using more sustainable or bio-based materials, and by using technology to test more sustainable solutions already in the design and/or accelerate processes.

Dura Vermeer is among the top innovators in the industry and is keen to maintain this position. By being distinctive in innovation, we can secure our long-term right to exist and fulfil our sustainable and digital ambitions faster, and we can be better attuned to the wishes and needs of the market. Innovation can also help reduce construction costs, easing pressure on affordability. One example is industrialisation of construction, which can provide an answer to the huge housing shortage. In addition, innovation helps introduce strong innovative products, such as bio-based materials, to the market. Labour market scarcity calls for more innovation. Younger generations require the company they want to work for to operate sustainably and pursue this through innovations. This is an important value for attracting new employees. Finally, innovative inventions help increase the long-term employability of employees. One such invention might be an exoskeleton, a supportive 'suit' for people who frequently have to work in a certain body posture. There are many such possibilities, as the pilots we conducted in 2023 showed.

**We choose to
innovate with our
(chain) partners**

Innovation is one Dura Vermeer's key ambitions and is therefore embedded across the company. The people responsible for innovation are on the boards of the various divisions, in the operating companies and at project level. We work with an innovation network of internal ambassadors who drive innovations and link them to our projects. This ambassador network provides communication on innovation through our online and offline channels and shares knowledge.

Innovative ideas are devised in all layers of our organisation and we want to make the most of them. This is where we put our innovation network to good use. The ambassadors take ideas from projects and develop them into concrete solutions in collaboration with our partners and clients. Solutions are tested in pilots and shared across the organisation with the aim of scaling up the innovations and applying them more widely.

With the innovations we implemented in our projects in 2023, we have largely met our ambitions: working on innovative reuse streams, facilitating links within the ecosystem that accelerate innovations, and delivering innovative solutions that are a more attractive and sustainable alternative than the market standard. We further describe the results below in the section NEXT and other activities.

Partnerships

In order to be able to help give direction to the changes in the construction industry, we are working together with our clients, partners, subcontractors and suppliers: we need our entire 'ecosystem' to generate innovative solutions. New products, services and revenue models are emerging at the intersection of digitalisation and technology. For Dura Vermeer, innovation is also about collaborating with parties outside the boundaries of our field. We want to speed up the construction transition by participating in an ecosystem of small, innovative players and start-ups. Many new companies are developing new bio-based and/or circular building materials or are helping to further digitalise construction. In co-creation, we are investigating where we can have a positive impact on making construction smarter and more sustainable. We also



Placement of 3D-printed canal wall pit sheets at the Jacob Catskade-project in Amsterdam, in collaboration with Neolithic.

achieve ecosystem innovation by inspiring people internally and by driving innovation.

In addition, we link innovation to other themes, such as social innovation. Housing associations, for example, use a highly structured, community-oriented approach. This means that in our partnership we do not focus on a housing block or apartment complex, but on the development of a neighbourhood or district. We have developed a system through which we analyse a neighbourhood together with the association and then decide which parties to involve in its realisation. This view of the wider environment is still relatively new in the construction world and helps us to increase engagement and support from the environment in which we work.

Dura Vermeer is a partner of YES!Delft, the tech incubator that helps develop start-ups. It can help us accelerate innovations in construction. Through YES!Delft, we started a pilot with start-up Tarnoc and The Hague housing corporation Staedion in 2022. We used an innovative electric turbine boiler with thermal battery (a kind of heat pump) to make renovated homes gas-free. This boiler, developed by Tarnoc, also stores energy and heat. In 2023, we continued our partnership. Our aim is for other housing associations to also start using this boiler to make renovated homes gas-free. The Construction and Property

Division and the Engineering Division are both actively involved in this pilot.

NEXT

With our NEXT platform we are participating in start-ups to accelerate innovation. Through this partnership we expand our knowledge of trends and of technological and social developments, and bring in innovation from outside the industry. NEXT's distinctive innovations help us in tenders. Its role is mainly to invest in and acquire new ventures. Sustainability is often a key objective of start-ups, and in many cases digitalisation is a major driver, which is a perfect fit with our ambitions. In 2023, NEXT mainly searched for start-ups and scale-ups in the fields of circular, zero-emission and climate-adaptive and nature-inclusive construction. NEXT enables the start-ups can grow and boost their impact.

In 2023, we invested in two innovative companies through NEXT to improve our projects. The first was Neolithic, a 3D concrete printing company that supplies standard infrastructure products that require some form of customisation. NEXT also invested in VonWood, a digital trading platform for buying wood directly from sawmills. Not only does this lower the cost price, improving

affordability, but it also gives us insight into what the future of procurement is likely to be. Both initiatives are strongly tied to digitalisation.

A new product innovation that we first deployed in 2023 is the Brian Beam, a safety circle projected on the ground around heavy moving equipment by a laser. The laser beam indicates the safety zone around the vehicle. This idea was devised by innovation ambassador Brian Grefte in the Infra Division to promote safety around moving heavy equipment and has been embraced by NEXT for further development.

The companies that are currently part of NEXT grew their revenues and were further professionalised in 2023. For example, Hamlet raised its profile in the market with timber construction, resulting in a growing number of orders. Drystack, the company that markets a building brick fixing system that renders cement redundant, did its first successful project at a school. Data inspection company Falcker received a new round of investment with a new investor joining. Smart parking solutions company Spotten won new customers. Roof2Road, which works on circular asphalt, invested in new equipment and now reports on its SDGs.

We took further steps towards zero-emission equipment to make clean construction projects possible. For this, we are looking for special services together with NEXT and our facilities company Materieel.

We are very proud of WattHub, the world's biggest fast-charging facility in Geldermalsen that was opened by King

Willem-Alexander in April 2023. It is a charging facility for electric trucks and heavy construction equipment. We developed the WattHub together with Ploegam, Van Oord and Betuwewind for the Tiel-Waardenburg dyke strengthening project, which we are implementing emission-free. The charging station's residual capacity benefits the surrounding area. WattHub is an example of how we use external partnerships to speed up our sustainable ambitions.

Dura Vermeer Innovation Award

Every two years, we present the Dura Vermeer Innovation Awards, which are organised by NEXT. The aim is for all Dura Vermeer employees to realise that they can make a difference by sharing innovative ideas in the organisation. To encourage this, the innovation ambassadors organised inspiration sessions. There were 114 submissions. The ten selected finalists were allowed to pitch their idea on the finals day, 4 July, which YES!Delft put on. This year, there were no less than three winners. The submitters of winning ideas have started working under YES!Delft's wings to scale up their plan.

Innovation market

While NEXT works to forge partnerships with new, innovative parties, Dura Vermeer also focuses on promoting innovative behaviour among its chain partners. We do this by inspiring and challenging them. In 2023, we organised an innovation market twice, at which we invited our chain



Adding floors with Blokje Op

Tim Peeters, Head of Work Planning at Dura Vermeer, came away with first prize in the Smarter Construction category at the Dura Vermeer Innovation Awards 2021. His idea 'Optoppen met Blokje Op' allows one or more floors to be constructed on top of existing buildings. This contributes to affordable housing while being a great way to make sustainable use of scarce space. Tim's idea has since been put into practice. The first Blokje Op project was launched in 2023: 44 homes will be added on top of the existing 'de Klapwiek' building in Rotterdam.

We are challenging our supply chain partners to also act innovatively

partners and innovative start-ups to an inspiring session. We then challenged these chain partners to actually start working with the innovative start-ups or accelerate their own innovations.

Other initiatives

The huge shortage of (affordable) housing, the pressure on affordability and the call for sustainable houses demand a quick and well-considered solution: conceptual construction and industrialisation through digitalisation. We can build more than 80% of our development and construction projects conceptually, i.e. quickly and efficiently. Based on our design, we can have sequentially standardised elements factory-produced and assembled before delivery on site. This reduces construction time, partly because we can start the preparation process 25% earlier. And we reduce CO₂ emissions by 50%.

Dura Vermeer is taking the next step in future-oriented industrialisation with Virtual Factory. This will enable us to generate production in any factory or machinebased on deep chain cooperation, without third-party intervention. It is Dura Vermeer's most important innovation for residential construction. Virtual Factory makes us agile because we can link new construction techniques and materials at any time. It also keeps us relevant in the market because we can produce what we offer instead of having to offer what we produce. This is why Dura Vermeer is so keen to invest in this.

We collaborated with bio-based design studio Omlab to 3D print swallow's nests of plant-based raw materials produced from sewage water sludge. With these nests, called Barney's, we enrich biodiversity in areas where we build. The first nests have been fixed underneath a replaced bridge in Amsterdam North.

Jointly with Van Doorn, the company that focuses on the layout of the external space, Dura Vermeer has set up Via Robotica, a company that provides automated lawn mowing services. Deployment of electric and autonomous mowing robots makes grass cutting more sustainable, more efficient and safer. A pilot is under way at Rotterdam The Hague Airport. We want to extend it to other locations where manual mowing is difficult, for example because the spot is difficult to reach or unsafe.

Innovation in 2024

Our ambition is to use innovation to improve our core business, to build sustainably and to build smart.

Based on those ambitions, we want to continue building our Virtual Factory in 2024. Sustainability should also feature heavily in this, for example through the use of bio-based materials. We also want to implement this concept on a larger scale.

Furthermore, we have partnered with two other major Dutch construction companies to start developing bio-based sheet material from waste wood from projects. We can achieve this by working with major partners.

We also aim to expand the number charging stations for electric equipment in 2024, as an extension of WattHub's operations.

“Transparency is becoming more and more important”

Jean Luc Beguin, CPO of Rijkswaterstaat, and Job Dura, CEO of Dura Vermeer, have been working on the transition to a vital infrastructure sector for years. Together, they look back, and also ahead. “We are on the right track, but there is still a lot to be done. Transparent collaboration helps, but it takes guts and realism.”

When Job Dura became CEO of Dura Vermeer in 2010, talk quickly turned to necessary changes in the infrastructure industry. “We discussed with the top management of Rijkswaterstaat that we needed to find new types of partnerships to keep the Netherlands safe, liveable and accessible. As market participants, we said we could build all the infrastructure, but risk allocation was not being sufficiently addressed. Then projects were hit by setbacks, followed by financial claims. So we had to plot a new course. A 2019 study by McKinsey & Company confirmed that.”

New types of partnership

Based on that research, the programme *Op weg naar een vitale infrasector* [Towards a vital infrastructure sector] kicked off in 2020. The Infra Taskforce, in which Rijkswaterstaat and the infrastructure sector are successfully working together, plays a key role in this programme. It was set up during the Covid pandemic to allow the infrastructure sector to continue working. The transition to new ways of working has since been added. The main conditions are: achieving results together based on expertise, a financially sound industry with healthy risk management, and enough room for innovation throughout the chain.

Complex task

“Initially, talking about investing in collaboration was difficult,” says Jean Luc Beguin, chief procurement officer

(CPO) and head of Rijkswaterstaat’s market and procurement policy. “Our leading conditions seemed relatively soft, while our industry pursues hard results. But these principles are crucial to moving forward together, especially as our task is getting ever more complex. Safety and sustainability are important, we want to use technological developments to our advantage, and we have a huge conservation task for hundreds of structures from the 1950s and 1960s.”

Short term versus long term

Politicians and the markets tend to have a short-term perspective, but the challenge before us is very much long-term. “We need to turn that around: a long-term perspective and short-term action,” Beguin argues. “This can be done successfully with a two-stage approach in which we have open discussions with each other about reducing risk. In this way, we can create greater certainty in the implementation stage and avoid guesswork. We have applied this in sixteen projects now, and found greater satisfaction in cooperation as well as a lower risk profile during implementation.” In other forms of cooperation, success is less visible: “For example in the portfolio approach, in which Rijkswaterstaat combines similar structures into one portfolio. This renders the longer-term work more predictable for the chosen market player, and makes it more attractive to invest in sustainability, innovation and standardisation.”



Job Dura (left) en
Jean Luc Beguin (right)

He continues: "For a while, the focus was on the short term. During the pandemic, for example, the sector simply tried to survive. This was followed by price hikes and construction projects stalled because of nitrogen." Until the minister released funds for conservation.

Investing in relationships

"Even so, the sector has achieved a lot," Dura believes. "During the pandemic, the market and the government came together in the Infra Taskforce to tackle the problems by investing in relationships and mutual understanding. Cooperation is improving. We are on the right track, but there is still a lot to be done. We are pleased that the Infra Taskforce is continuing its work. It can, for instance, provide more clarity about the planning of upcoming projects and commit to improving the chain. We are linking up with that with the Gideonsbende, a group of directors from the sector that is trying to bring about change in our organisations by modifying attitudes and behaviour."

Transparency

"Transparency, knowing what is really going on, does help," Beguin agrees. "For example, we want to know how a bid is structured, how much return a market party wants and how much equity companies have as a buffer. That enables us to build in enough checks and balances and weigh all interests fairly." Dura nods. "True, we could be more open about that.

But then we expect the same transparency from Rijkswaterstaat. For example, about how a party is selected."

Conservation is key

Another important issue is keeping the common goal in mind: contributing to society. Over the next few years, the extensive conservation task will be key. Dura: "I am glad budget has been freed up for that. However, the market should be involved earlier in the process, as conservation requires more preparation. Interesting projects are also necessary for us to be able to retain our people and contractors and for our industry to remain attractive in the labour market."

Guts and realism

Beguin understands those wishes, but Rijkswaterstaat also has to deal with a lot of uncertainty. "There is political uncertainty, prices are rising, money is running out and there are wars around the world." Dura remains confident. "The construction industry is pragmatic and solution-oriented. During the pandemic, we have shown that we can adapt quickly. A crisis can actually lead to renewal. The labour shortage, for example, is forcing us to industrialise and develop prefab solutions. If we use electric machines for that, we can also drive sustainability." Beguin concludes: "What we need is guts and realism. And of course: finding enjoyment in working together."



GOVERNANCE

RISK MANAGEMENT

Because doing business involves risks, Dura Vermeer has a risk management process in place that contributes to the overall realisation of our strategic ambitions and the achievement of our objectives, and thus to a large extent determines the success of our business.

In recent years, we have seen the risk landscape becoming ever more volatile. Risks have not only become more complex, they are increasingly interconnected and when they occur, they have greater impact. In the Netherlands, we are seeing an increase in citizen engagement with social issues, such as potential cases of environmental pollution, and a movement in society towards zero tolerance for errors in business management and personal liability of directors.

After 2021 (Covid) and 2022 (outbreak of war in Ukraine), 2023 - as this annual report shows - was another turbulent year, during which our risk management helped us stay in control. Besides the ongoing nitrogen issue, there was high inflation as well as further (mortgage) interest rate rises.

Risk appetite and risk profile

Given the nature of our organisation, project management is a common thread in our internal control system. From the selection of a contract through to after-care, our internal control systems are aimed at striking the right balance between entrepreneurship and the desired risk profile. The market segments in the construction and infrastructure industry in which we operate are multifaceted and challenging. We implement projects ranging from simple and small in size to large and complex. That is why we are constantly making choices as to which projects are right for us and which are not, based on the general principle of a responsible balance between risk and return. To this end, a tender form or investment request is prepared for every project, which includes a detailed risk analysis that takes account of the size of the project. Depending on the nature, size and risk profile of the project, this analysis must be approved by the management of the operating company, divisional management, the Management Board and the Supervisory Board.

In our view, a responsible balance between risk and return means that:

- the nature and size of the project should match Dura Vermeer's objectives and the required experience, capacity and expertise should be available;
- the client finances the project to be secured. If Dura Vermeer finances the project independently, as is the case in property development activities, the extent to which the project can be financed is also assessed. Aspects considered in this assessment include the method of financing, the duration and the result to be achieved, taking into account this higher risk profile;
- the project is profitable, with a mark-up for profit and risk that is appropriate for the risks and contract form;
- If Dura Vermeer is a risk bearer in the development of the project, 70% of the owner-occupied houses included in the project must be sold before the start of construction;
- if a project is carried out through a building consortium, the resources contributed by each consortium partner should be proportionate to their financial contribution, as should be each partner's risk exposure.

Liability and risks should be insured where possible and desirable.

Our risk profile is based on our risk appetite. Our risk appetite is reviewed annually, or more frequently if circumstances dictate. The risks we face on a daily basis

Thanks to our risk management, we have remained in control in the turbulent year of 2023

can be classified into the following four risk categories: strategic, operational, financial and compliance/integrity.

Our risk appetite in conjunction with actual risks determines our risk profile. We use a risk matrix that shows the main risks for each risk category, an estimate of their probability and impact, and the control measures that are in place. This risk matrix was prepared bottom-up, adding the overarching risks at Dura Vermeer Group level to the risks identified at divisional level.

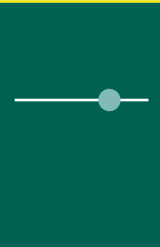
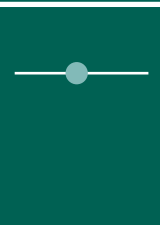

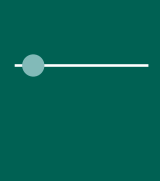
The risk matrix is updated annually by the Management Board and the management of the divisions, or earlier if developments warrant. The potential impact of risks is determined not only by the financial impact, but also by any negative impact on our surroundings (people, environment and society) and our reputation. The chart below shows our risk appetite by risk category, graded from low (left on the scale) to high (right on the scale).





Risk management

In order to timely identify and manage risks, but also to be able to take advantage of opportunities, procedures and measures have been determined and implemented at all levels of the organisation. Responsibility for compliance with this is largely decentralised and allocated to the divisions and the operating companies, which annually issue a compliance confirmation. The Management Board sets the boundaries and provides the resources, and is also responsible for the overarching risks at the Dura Vermeer Groep level.

The basis for our risk management system is the COSO ERM framework, in which risk management in relation to projects forms the common thread. This means that our internal control system is top-down and includes control measures at the strategic, tactical and operational levels of our organisation. To this end, we use the

RISK PROFILE

RISK CATEGORY	RISK APPETITE	EXPLANATION
STRATEGIC e.g. in case of economic headwinds and changed market conditions, digitalisation, innovation and sustainability		To be successful, it is more important than ever to be entrepreneurial. This means looking outwards, listening and responding to clients, seeing opportunities and profiting from them, and innovating in order to respond to new developments in the market and in society. To achieve this, we are prepared to accept higher than average risks.
OPERATIONAL e.g. project risks		Projects are our core business, and we strive to take on the central management role in any project as the main contractor and/or developer. With regard to our projects, we are willing to accept a certain degree of risk for an appropriate return. However, for other operational risks, such as safety, we do not accept any risk whatsoever.
FINANCIAL e.g. credit risks, liquidity, solvency and the availability of bank guarantees		We have a strong financial basis. We are only willing to accept low and, in special cases, medium risk in order to innovate, invest and collaborate.
COMPLIANCE/INTEGRITY e.g. non-compliance with external laws and regulations or internal regulations		Our social responsibility is an integral part of the company; reliability is one of our core values. In terms of compliance and integrity, therefore, we are not prepared to accept any risk.

Risk appetite Very low  ————— Low  ————— Medium  ————— High 

following instruments, which are part of our planning and control cycle:

1. Strategy

The Management Board periodically (annually) evaluates the company's course and discusses its findings with the Supervisory Board. Strategic frameworks are recalibrated or redefined once every three years. These strategic frameworks are then detailed with the divisional boards and operating companies in a strategy document.

2. Annual plan and budget

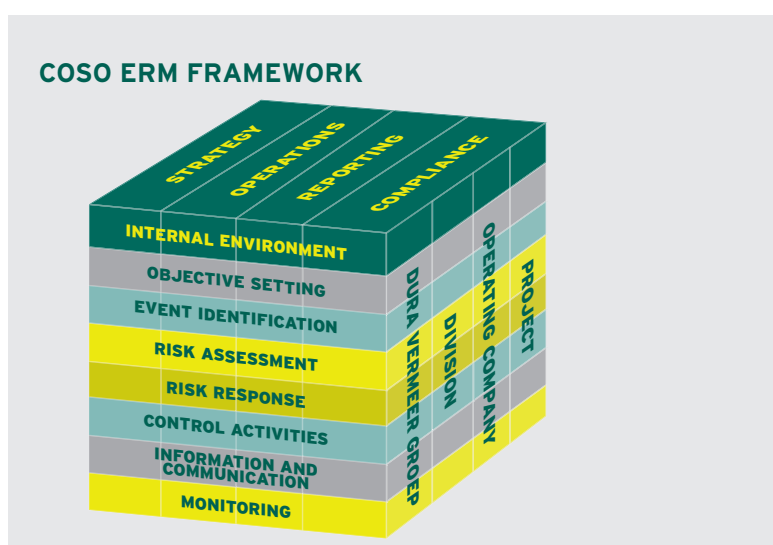
Based on the principles set annually by the Management Board, the divisions, the operating companies and group companies draw up an operational plan and a detailed budget for the year ahead. After approval of the draft budget of the operating companies by the division and approval of the draft budget of the divisions by the Group, they are collated into a consolidated budget for Dura Vermeer Groep. This budget is submitted by the Management Board to the Supervisory Board for approval.

3. Internal periodic reporting

Dura Vermeer divides the year into 13 periods of 4 weeks. After the end of each period, the profit and loss forecast for the current financial year is updated with the corresponding information and the order book. On a quarterly basis, the report is expanded with additional information that meets the specific requirements of the operating company or division concerned. This report is discussed in the presence of the divisional management, the Group Finance Director, the CFO and the CEO.

4. External reporting

The consolidated financial statements are part of the annual report of Dura Vermeer Groep N.V. The financial statements are prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and include the figures of Dura Vermeer Groep N.V. itself and those of its associates and group companies. The annual report is audited by KPMG Accountants N.V. Upon the auditor's request, the Management Board issues an annual confirmation statement with the financial statements. In this confirmation, the Management Board acknowledges its responsibility for the fair presentation of the financial statements and the members of the Management Board state that they have provided all relevant information to the auditor. Just as the Management Board confirms this to the auditor, the management of the operating companies and divisions issue a similar statement to the Management Board.



As part of our risk management process, the risk matrix was also updated in 2023. For the results, please refer to the charts below that presents all the material risks based on their estimated probability and impact on the organisation. In determining probability and impact, the set of control measures in place was initially not taken into account. For this, see the risk matrix on the left.

To determine whether the risks are mitigated to an acceptable level, the set of control measures in place was then reviewed. This review included an assessment of the extent to which the risk profile had been reduced to an acceptable level. Where this proved not to be the case, new or different measures were taken. The results - for the main risks - are included in the risk matrix on page 94.

The comprehensive overview of all material risks and control measures is available as an annex here.

Risk manifestation 2023

The turmoil of 2022 continued into 2023, and new developments also impacted our operations. The war in Ukraine had caused prices of energy and building materials to rise sharply, and high inflation and rising interest rates added to that. Political uncertainty arose after the fall of the Rutte IV government. The main risks Dura Vermeer faced in 2023 were the risks resulting from high inflation, which led to interest rate rises and declining consumer confidence. In addition, we still face risks due to the nitrogen problem (including the invalidation of the construction exemption), government capacity shortfalls and inadequate budgets. The nitrogen problem has led to delays in permit procedures, delays in

projects under construction and new housing projects and Rijkswaterstaat's tender calendar drying up. We are also having to deal with extensive spatial planning procedures and objection procedures that cause delays and there was often a shortage of officials to allow development of sites to go forward. The shortfall in government budgets for infrastructure projects, caused mainly by the decentralisation of responsibilities in conjunction with the unexpected extra expenditure related to Covid-19, has also led to the postponement and cancellation of tenders.

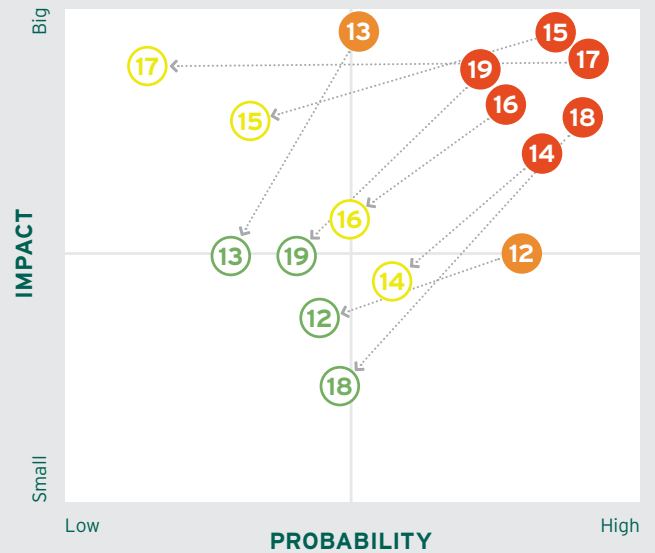
These issues had a negative impact on the market volume and entailed considerable costs. In 2022, construction costs rose sharply; they did not rise much more in 2023, but neither did they fall. The same applies to land prices. International political turmoil may have an even bigger impact on the construction industry. Because as a company and an industry we are in constant contact with Rijkswaterstaat, provinces and municipalities, efforts are being made to jointly find a solution to mitigate these risks.

RISK MATRIX

Gross risks*



Effect of control measures on greatest gross risks



- 1 Liquidity, solvency, bank guarantees
- 2 Creditworthiness of clients
- 3 Creditworthiness of partners
- 4 Creditworthiness of contractors and suppliers
- 5 Client integrity
- 6 Human rights
- 7 Land positions

- 8 Business continuity
- 9 Innovation
- 10 Failure to comply with internal rules of conduct or laws and regulations
- 11 Digitalisation
- 12 Scarcity of materials and services
- 13 Reputation and image damage
- 14 Scarcity of staff

- 15 Complex projects
- 16 Economic and market conditions
- 17 Safety
- 18 Cybersecurity
- 19 Sustainability

- Risks
- Risks after effect of control measures

* Gross risks are the risks for the effect of the control measures taken.



CONDUCT AND INTEGRITY

Integrity

Underlying Dura Vermeer's policy are three core values: safety, reliability and quality. Dura Vermeer and its employees should act and conduct themselves in a socially responsible manner. To promote ethical conduct, we have put in place an Employee Integrity Code of Conduct. Linked to this code of conduct are a number of sub-codes on more specific topics:

- the Policy and Complaints Procedure for Undesirable Behaviour Dura Vermeer;
- the Management Team members Code of Conduct for Ancillary Activities;
- the Applications and Equipment Protocol.

Anti-corruption, combating bribery and preventing anti-competitive behaviour are integral parts of our code of conduct. Our policy on these issues is consistent with the United Nations Convention against Corruption.

These codes of conduct and protocols are available on our intranet and all our employees are informed about them when they join as part of the onboarding process and are kept up to date through mandatory e-learnings. We have developed an integrity game in which players have to make trade-offs between integrity and commercial objectives, so as to increase employee awareness. The codes of conduct are part of the General Terms of Employment, so they are part of the employment contract of every employee.

Dura Vermeer only wants to work with subcontractors and suppliers who tackle integrity issues head on and comply with the Code of Conduct for Contractors (Suppliers and Subcontractors), which is available on our website. We find it important that our employees are able to report (suspected) abuses adequately and safely. That is why we have adopted an Abuse Reporting Procedure. By abuses we mean in this context a reasonable suspicion:

- that a social interest is at stake, or
- that the reputation, integrity and business operations of Dura Vermeer are at stake in connection with a criminal offence, a breach of rules, a danger to public health or safety or to the environment, deliberate misinforming of public bodies, wasting the employer's or government money, or deliberately withholding, destroying or manipulating information about such facts.

In 2023, the procedure was updated to comply with the Whistleblowers Protection Act, which came into force in 2023 and Dura Vermeer is subject to. The procedure applies to all Dura Vermeer employees and has been communicated through news releases and our intranet. An e-learning is also available. New employees are informed about the procedure when they join the company.

Employees can report any suspicion of a breach of internal or external regulations to their manager or to the Compliance Officer. The procedure describes how the employee can make a report and how the report is followed up. The procedure contains safeguards to protect the reporter. Furthermore, employees can make an anonymous report (by phone or online) via the SpeakUp app. This app can be accessed not only by employees, but also by external stakeholders, such as suppliers, subcontractors, clients and local residents. Dura Vermeer's website explains how external stakeholders can make a report via the app. Once a quarter, the Management Board is formally informed of any reports made.

In 2023, we received four reports of situations in which the Employee Integrity Code of Conduct was breached. These situations also involved fraud. The incidents were further investigated. Two cases concerned theft and two concerned fraud by an employee. Dura Vermeer has a zero-tolerance policy, therefore, in all four cases, the employee's contract was terminated. Following the incidents, we have tightened processes and control measures where necessary.

A separate procedure, the Policy and Complaint Procedure for Undesirable Behaviour, has been set up for employee complaints about undesirable behaviour. Two internal and two external confidential advisors have been appointed. An employee wishing to report or discuss a complaint about undesirable conduct can contact one of the confidential advisors. The Policy and Misconduct Complaints Procedure describes the procedures and safeguards to be followed to ensure confidentiality.

Laws and regulations

Complying with laws and regulations is of vital importance to Dura Vermeer and part and parcel of the way we work. The risk appetite on this issue is zero. After all, these are risks that could harm our reputation. To ensure that we always comply with all relevant laws and regulations, these risks are translated into policies and procedures for the relevant organisational units. Given the growing complexity and high rate of legislative and regulatory change, this challenge is growing.

Compliance with laws and regulations is also an integral part of our risk management process. The Management Board is responsible for compliance with all relevant laws and regulations. The Legal Affairs department advises staff departments and operations on relevant laws and regulations at the group and divisional level. In 2023, no significant breaches of laws and regulations occurred.

Fraud

Annually, as part of its risk management process, Dura Vermeer conducts an internal risk analysis that includes the subject of fraud. We take into account fraud risks relating to financial data and disclosures, the possibility of manipulation of information technology (segregation of duties), common fraud in the market (assessment and selection of buyers by a third party) and other possible forms of fraud.

Data privacy

Dura Vermeer maintains a data privacy policy in order to handle personal data in an informed manner and to comply with legal frameworks and guidelines for adequate data protection. Our privacy policy applies to all business units and work locations and applies to all employees. The divisions are responsible for Dura Vermeer's data privacy policy in their day-to-day operations, using a Privacy Platform.

A Privacy Officer has been appointed to implement, maintain and drive the privacy framework and associated products (such as a processing register, a data privacy policy for every business process, privacy statements, protocols and a data breach notification procedure). This officer supervises compliance and advises the organisation on privacy issues and developments in legislation and regulations. The Privacy Officer reports to the Management Board. The Privacy Officer is also responsible for managing our Privacy Perfect privacy application and for registering and handling data breaches. On the initiative of the Privacy Officer, a random division and Group privacy compliance check is performed every year. It did not throw up any material findings. As part of the ISO 27001 certification (see also Information Security), an annual external audit is conducted of Dura Vermeer's privacy policy.

In 2023, there was one data breach that Dura Vermeer reported to the Data Protection Authority. It involved a data leak of email addresses of local residents, which were visible to other local residents as a result of human error. Dura Vermeer has taken measures that have closed the data breach. Further measures have been taken to prevent such a data breach in the future.

Information security

For the implementation of information security, responsibilities have been assigned at different levels within Dura Vermeer. The Management Board is ultimately responsible for information security and for setting policy. The strategic digitalisation consultation gives direction to objectives and plans, and assigns responsibilities to roles within the organisation. The information security steering group is responsible for managing the implementation and functioning of policy, guidelines and processes/procedures.

Data classification determines which rules apply to various types of information (public, internal or confidential). We want everyone in the organisation to have sufficient knowledge of the types of data we work with to handle them appropriately. To this end, employees receive training and we are constantly working on improving awareness. Dura Vermeer operates an information security management system based on the ISO 27001 system of standards. We are certified since 2021. With this system, we ensure that information is available to users at the right place and time, that information is correct and cannot be modified unauthorised, and that information is only available to those who are authorised.

From the security operations centre, we continuously monitor unusual behaviour inside our IT systems. We also have an annual hacking attempt done, in which hackers try to penetrate our system from outside and inside. Dura Vermeer is ultimately as strong as its weakest link, and in this context that is its employees. Awareness of dangers and willingness to report are important. That is why we have invested in a new cybersecurity awareness campaign launched in mid-2023.

In 2023, no incidents occurred that led to leaks of sensitive information or compromised process continuity.

CORPORATE GOVERNANCE

Corporate governance is about proper and responsible corporate governance. The ultimate goal is to secure long-term value creation for all stakeholders. Our stakeholders must be confident that their interests are carefully considered in everything we do. This requires the Management Board to act with integrity and transparency and the Supervisory Board to be accountable for its oversight.

Culture

Dura Vermeer is a family business. Our independence and long-term continuity form the basis of our strategy, because they connect us to society as a whole: the users and people in the vicinity of our projects. Our culture focused on long-term cooperation, being there for each other and being a good employer are preconditions. Dura Vermeer's core values - safety, quality and reliability - form the basis for this. In our collaboration, we are transparent and ethical. This implies that we respect and comply with laws and regulations.

Governance structure

Dura Vermeer is a public limited company with a voluntary structural regime; Puissance B.V. is its major shareholder.

Dura Vermeer has the following distinct administrative bodies:

- General Meeting of Shareholders
- Supervisory Board
- Management Board
- Divisional Management
- Operating company management

Dura Vermeer has a set of rules, procedures and guidelines: the Group Guidelines, that set out which decisions are subject to the approval of the General Meeting of Shareholders, the Supervisory Board, the Management Board and/or Divisional Management. These Group Guidelines form part of the General Terms of Employment, making them part of the employment contracts with employees.

Dura Vermeer Group and its Divisions ensure that activities take place within established frameworks, including with regard to the following aspects:

- acting as a single economic entity;
- striving for synergy;
- striving for uniform quality, standards and values;
- conducting a uniform safety policy,
- sustainability policy and HR policy;
- implementing a uniform code of conduct policy;
- presenting itself publicly with one corporate identity.

Compliance with Dutch Corporate

As a family business with a social role and a broad stakeholder base, Dura Vermeer subscribes to the importance of openness and transparency. Although Dura Vermeer is not a listed company, we subscribe to the intentions of the Dutch Corporate Governance Code 2022 (the Code) that is currently in force. Not all provisions of the Code apply to or are applied by Dura Vermeer. The provisions of the Code applied by Dura Vermeer are incorporated in Dura Vermeer's articles of association, the Group Guidelines and the various codes of conduct. The principles and best-practice provisions of the Code regarding risk management, remuneration and the prevention of conflicts of interest are largely included in the Management Board regulations.

In our
collaboration, we
are transparent
and ethical





Consultation structure

Various consultation structures can be distinguished within Dura Vermeer in the relationship between the shareholders, the Supervisory Board and Management Board on the one hand and the divisions or operating companies on the other. By means of a tiered meeting structure, information and related decisions (including those related to non-financial performance) are communicated from the top of the organisation to the divisions, staff departments and operating companies and vice versa. In this way, Dura Vermeer ensures that everyone is aware of the organisation's policies and how they are implemented. Employees are largely informed of the decisions through communication channels including periodic newsletters and the company intranet.

Employee participation

Employee participation within Dura Vermeer represents our employees. Dura Vermeer has one Central Works Council (COR) at the Dura Vermeer Group N.V. level. Its members are drawn from the works councils at divisional and/or group operating company level. New works councils were elected in 2023 for the period 2023-2027.

Diversity

Dura Vermeer strives for a complementary composition of both the Management Board and the Supervisory Board with a sufficient degree of diversity. In this context, diversity refers to aspects such as gender, knowledge, experience, skills and personality. The Management and Supervision of Legal Entities Act defines proportionate distribution as follows: at least one-third of the seats on management and supervisory boards of listed companies should be held men and at least one-third by women, and large public and private limited companies are required to set appropriate and ambitious targets. Dura Vermeer's policy for appointments of members of the Management Board and Supervisory Board is to specifically also look for female candidates, and to base the ultimate selection of candidates on the added value of persons in relation to each other. Since 2016, the composition of the Management Board has not changed, so the target percentage has not been achieved to date. The position on the Supervisory Board vacated as of 1 January 2022 was filled by a female candidate, which means that since, 40% of the seats on the Supervisory Board is held by women.

Remuneration

The articles of association stipulate that the policy on remuneration of the Management Board is adopted by the General Meeting of Shareholders on the proposal of the Supervisory Board. The remuneration of the Management Board comprises a fixed annual salary plus variable remuneration, which is dependent on the company's overall performance and the achievement of individual targets. The remuneration of the Supervisory Board is fixed and independent of the company's performance and is determined in advance by the General Meeting of Shareholders.

Conflict of interest

The articles of association state that if a member of the Management Board has a personal conflict of interest with the company, he will not participate in the Management Board's deliberations and decision-making on the matter. All members of the Supervisory Board are independent of Dura Vermeer and its stakeholders. The articles of association also stipulate that if a Supervisory Board member has a personal conflict of interest with the company, he or she will not participate in the Board's deliberations and decision-making on the matter.

Role and powers of the Supervisory Board

The Supervisory Board oversees the Management Board's policies and the general state of affairs at Dura Vermeer and its affiliated companies and provides advice to the Management Board. In doing so, the Supervisory Board focuses on the effectiveness of Dura Vermeer's internal risk management and control systems and the integrity and quality of its reporting. As part of its work, the Supervisory Board also considers the social aspects that are relevant to the company. The articles of association of Dura Vermeer contain rules with regard to appointments, powers and the decision-making process.

The supervision of management by the Supervisory Board includes:

- the way in which the Management Board shapes and implements the strategy, focusing on continuity and long-term value creation;
- the (interim) realisation of objectives;
- the risks associated with (new) business operations and investments;
- the design and functioning of internal risk management and control systems;
- the financial reporting process;
- compliance with laws and regulations;
- the relationship with shareholders;
- how the interests of different stakeholders are considered and weighed;
- the activities of the Management Board with regard to the culture within the company;
- the functioning of the reporting procedure for abuses and irregularities;
- the social aspects of entrepreneurship relevant to the company.

Role and powers of the Management Board

The Management Board is responsible for overall management of Dura Vermeer. It develops and adopts the mission, vision and strategy. The Management Board is responsible for the policies pursued by the group, including the corporate social responsibility policy. The policy aims to realise the strategy, including the ensuing financial and non-financial objectives.

Financial continuity is a precondition for realising our strategy and continuing to create long-term value for our stakeholders and for society as a whole. The strategy is reviewed and updated periodically and reformulated every three years. The development of the strategic ambitions takes into account the organisation's risk appetite and risk management on the one hand and the social context on the other. Divisional management is responsible for translating group strategy and policies and for their implementation by the relevant operating companies within their divisions.

The Management Board is further responsible for the budget, for decisions on participation in major projects, for investments in land positions and for acquisitions. In addition, the Management Board deals with contacts with shareholders, supervisory directors, civil society organisations, clients and other stakeholders.

The Management Board has final responsibility for sustainability and is responsible for setting ambitions. Fulfilling the ambitions is the responsibility of the divisional directors who work closely with the directors and managers in the regional offices to draft and implement a roadmap for realising the Group's ambitions.

COMPOSITION OF MANAGEMENT BOARD AND SUPERVISION

Supervisory Board

B. Vree, Chairman
I.G.C. Faber MBA
ir. M.E. van Lier Lels
drs. P.S. Overmars
drs. ing. R. Vollebregt MRICS

Management Board

drs. J. Dura MRE, Chairman
L.H. Barg RA, CFO
ir. T. Winter, COO

Management board Construction and Property Division

ing. K.T.O. Terhürne
M.A. ter Hark RA
M.A. Mentink MSc MRE MRICS

Management board Infra Division

ir. M.S. Bakker
mr. drs. R.B. Kalma RC

Management board Engineering Division

ing. W.J.A. Blom

Group Staff Directors

I. Cools, ICT
G.B. Metselaar, Corporate Communication
H. Vervloet MBA, Human Resources
mr. T. Wilmink, Legal Affairs
drs. H.G. Wisman RA, Finance, Risk & Control

(as of 5 march 2024)



OUTLOOK

OUTLOOK

After a year of great results, which we achieved despite difficult economic and political conditions, we look forward to 2024 with confidence. In 2024, we will continue the strategic course we embarked on in 2023, with explicit focus on our clients, our market and our sustainability ambition Towards Net Zero.

Tensions in various parts of the world have led to sharp interest rate and price rises in recent years, which will not let up in 2024. High energy prices are a direct consequence of the war in Ukraine, which began in 2022. The corollary is the high cost of building materials. These factors mean that the construction sector is expected to contract for the first time since 2004, by around 3.5% at present.

High interest rates mean that demand for owner-occupied houses fell in 2022 and 2023, and the type of demand also changed: cheaper houses are now needed. Investors were also cautious because of high interest rates and shifting government policies. Furthermore, slow spatial planning procedures, objection procedures as well as the limited availability of building land are ongoing problems. In 2024, we expect a turnaround due to lower mortgage rates, lower energy costs and higher borrowing capacity. We also expect housing associations to invest more in new construction. The non-residential market is also suffering from high interest rates and construction costs, but to a lesser extent than residential. We therefore see good opportunities in non-residential in 2024. We expect the infrastructure market to remain strong - despite the uncertain nitrogen situation - thanks to the shift from new infrastructure construction to replacement and refurbishment. This is prompted by the overdue maintenance of structures and the resulting replacement need. Furthermore, demand for infrastructure that can cope with the effects of climate change has increased significantly, leading to more opportunities in the energy and water segments. We see that demand for mechanical and electrical engineering is increasing in both residential and non-

residential construction as well as in the infrastructure sector, as technical systems are becoming paramount in these projects.

To face these challenges, we changed our organisational structure at the end of 2023. We are confident that this new structure will give us the added flexibility to respond quickly to changes in the market.

2024 marks the final year of our three-year strategy period. Our guiding principle remains that we strive for the continuity and continued independence of our business. We focus on three strategic priorities and three innovation ambitions as described in this annual report. With the last year of our strategy in sight, we are pondering our strategic course for the 2025-2027 period. It will centre around a good spread between residential construction, non-residential construction, infrastructure and technical installation. We also gave our sustainability course new momentum in 2023 with the Towards Net Zero strategy, which is an intensification of our strategic innovation ambition Sustainability. This is what we will be fully committed to in 2024 and beyond. Our goal is to work with our supply chain partners to reduce our CO₂ emissions, ultimately to zero by 2050. We take all our chain partners with us on this course.

In 2024, finding sufficient and well-trained staff will remain difficult. The shortage of practically trained professionals, managers and technical staff is expected to grow. We pull out all the stops to remain an attractive employer and recruit and retain employees. One aspect of this is our focus on diversity and inclusiveness. Following the baseline measurement of the cultural diversity in our workforce in 2023, we will continue to pursue our ambition to be a good reflection of society.

We want to work with our supply chain partners to reduce CO₂-emissions to zero



To further strengthen our Technical installation Division in 2024, we acquired Boersema Installatie Adviseurs on 5 January 2024. Both parties are well aware of the increasing importance of technology in comprehensive design, realisation and management and maintenance of the built environment.

Investments in property, plant and equipment, other than property positions, in the year ahead will largely be aimed at the further electrification of our machines and will otherwise be limited to replacement investment.

Our solvency and liquidity are expected to remain good. We have a € 140 million loan facility with our banks. As at year-end 2023 it was unused, but where necessary and desirable we will draw on the facility to finance our own property development projects, including in property positions, in which we will continue to invest.

We expect that the number of employees will increase slightly.

Finally, we will remain firmly focused on safety in 2024. As in previous years, this issue remains a top priority for Dura Vermeer. Only with our fullest attention can we fulfil our safe working mission: everyone, every day, should be safe getting to work and coming back home.

Rotterdam, 5 March 2024

Management Board

J. Dura
L. Barg
T. Winter



REPORT OF THE SUPERVISORY BOARD

REPORT OF THE SUPERVISORY BOARD

2023 was yet another challenging year for Dura Vermeer. This was due to unexpected events in politics, the economy and in the construction industry. Even so, it was a good year for Dura Vermeer.

Unqualified audit opinion

The Supervisory Board oversees the Management Board's policies and strategy, and the general state of affairs at Dura Vermeer and its affiliated companies and provides advice to the Management Board. We have discussed the financial statements and the annual report for the 2023 financial year with the external auditor in the presence of the Management Board and the Director of Finance, Risk & Control. The financial statements were audited by KPMG Accountants NV, who issued an unqualified audit opinion on 5 March 2024. This audit opinion is included on page 152 of this report. We recommend that the General Meeting of Shareholders adopt the financial statements for 2023 and grant the members of the Management Board discharge from liability.

Meeting frequency

In 2023, in accordance with the set schedule, the Supervisory Board held six regular meetings with the Management Board. At least one meeting a year is held at a project site. The June meeting took place at the De Groene Boog project in Rotterdam. At the end of this meeting, the Supervisory Board was given a guided tour, and received an in-depth explanation of the scope and complexity of the project. The Supervisory Board was impressed by how this large and complex project was managed. We also visited other projects in various compositions during the year.

Depending on the specific areas of responsibility of supervisory directors, regular consultations are held with members of the Management Board. The chairman and the vice-chairman of the Supervisory Board, in addition to the formal meetings, also held regular interim consultations with the chairman of the Management Board and the CFO on both strategic and operational matters. A delegation of the Supervisory Board also consulted with the Works Council.

Topics in 2023

In 2023, the impact of the housing crisis on the industry in general and on Dura Vermeer in particular was on the agenda of every meeting, as were inflation, interest rates and the resulting economic downturn. The consequences for the operating income, the result and the development of the scheduled work in 2024 and beyond were all discussed at length. The matters discussed during the meetings with the Management Board also included the operational and financial control of the operations, tenders for and progress on large and/or complex projects and the company's own property development projects. Other important matters of discussion were safe working practices in general and the Dura Vermeer safety programme in particular, risk management, the Net Zero strategy, culture, diversity, data security, the digital transformation, the availability of staff and the change in the top management structure. In addition, the Supervisory Board consulted with the Management Board on the progress towards the strategic objectives for the period 2022-2024, including the sustainability, digitalisation and innovation ambitions. Finally, three meetings were held in 2023 with the external auditor (KPMG Accountants NV): the 2022 Audit Report was discussed in March, the 2023 Audit Plan in September and the 2023 Management Letter in November. These discussions confirmed the Supervisory Board's positive view of how Dura Vermeer's business and finances are being managed.

Results

At the March, June, September and November 2023 meetings, the company's financial performance and the outlook were discussed in detail with the Management Board on the basis of management reports. The focus in these discussions was on how the results of the larger projects were developing, as well as specifically the procurement risk and availability of materials, the level of overheads and the result forecasts at operating company, divisional and group level.



Decision-making

In addition to the decision-making on tendering for projects, on investments (land purchases) and acquisitions, in 2023 we approved the annual report 2022 and the dividend proposal for 2022 included therein. The new top management structure was discussed at length in November 2023. During the November meeting, the budget for the financial year 2024 was discussed in detail and approved by the Supervisory Board.

Composition of the Supervisory Board

The Supervisory Board currently has five members. On 30 June 2023, Dick van Well resigned from the Supervisory Board in accordance with the retirement roster. His farewell from the company was marked in a celebration at the Walhalla Theatre. Dick has been involved with Dura Vermeer for 50 years in various positions; he was chairman of the Management Board from 1998 to 2010. He continued to advise Dura Vermeer from 2011 to mid-2023 as a supervisory director. We are very grateful to him for his dedication, commitment and advice over all these years.

Roel Vollebregt joined the Supervisory Board on 1 July 2023. Piero Overmars took over the role of vice-chairman from Dick van Well. The composition of the Supervisory Board in 2023 was such that the necessary expertise, diverse backgrounds and managerial competences were present to perform the tasks properly.

In conclusion

We are grateful to all employees, the Management Board and the management of the divisions for their efforts and thank them for their contributions during the year under review.

Rotterdam, 5 March 2023

The Supervisory Board

B. Vree, chairman
 P.S. Overmars, vice-chairman
 I.G.C. Faber
 M.E. van Lier Lels
 R. Vollebregt



FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(Before result appropriation, amounts x € 1,000)	Note	31-12-2023	31-12-2022
Assets			
Fixed assets			
Intangible fixed assets	1	39,944	22,093
Tangible fixed assets	2	94,746	90,966
Financial fixed assets	3	62,359	56,412
		197,049	169,471
Current assets			
Inventories	4	103,248	100,526
Work in progress*	5	162,195	144,764
Receivables	6	270,802	217,594
Cash and cash equivalents	7	250,160	233,403
		786,405	696,287
Total assets		983,454	865,758
Liabilities			
Equity		294,598	263,163
Minority interest of third parties		5,610	3,535
Equity	8	300,208	266,698
Provisions	9	48,354	41,536
Non-current liabilities	10	16,663	9,055
Current liabilities	11	618,229	548,469
Total liabilities		983,454	865,758

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Amounts x € 1,000)	Note	2023	2022
Operating income	14	1,883,987	1,818,300
Cost of raw materials and consumables, outsourced work and other external costs		1,472,578	1,456,152
Wages and salaries	15	263,310	223,487
Social insurance and pension costs	15	61,242	55,177
Depreciation and impairment on tangible fixed assets	1.2	20,407	14,343
Other operating income and expenses		-340	-1,674
Total operating expenses		1,817,197	1,747,485
Operating profit		66,790	70,815
Interest income and similar income	17	3,295	471
Interest expenses and similar expenses	17	-971	-2,645
Result before tax		69,114	68,641
Taxes	18	-18,668	-18,169
Result from participating interests	3	3,373	2,351
Result after taxes		53,819	52,823
Minority interest in result		-2,384	-2,597
Net profit (loss)		51,435	50,226
Total profit (loss)		51,435	50,226

CONSOLIDATED CASH FLOW STATEMENT

(Amounts x € 1,000)	Note	2023	2022
Operating profit		66,790	70,815
Adjustments for:			
- Depreciation, amortisation and impairment on intangible and tangible assets	1, 2	17,798	13,653
- Changes in value	2	2,609	-
- Result on sale of tangible fixed assets	2	-926	-
- Movement in provisions	9	4,181	-387
		23,662	13,266
Changes in working capital:			
- Receivables	6	-48,050	-42,083
- Inventories	4	-366	-36,357
- Work in progress	5	26,296	-55,448
- Liabilities	11	16,672	53,257
		-5,448	-80,631
Cash flow from operating activities		85,004	3,450
Interest received	17	2,893	183
Dividend received	3	2,384	2,237
Interest paid	17	-602	-2,410
Corporation tax paid	18	-15,653	-21,153
		-10,978	-21,143
Cash flow from operating activities		74,026	-17,693
Investments in:			
- Intangible fixed assets	1	-2,278	-5,795
- Tangible fixed assets	2	-17,726	-15,374
- Acquisition of group companies	3	-15,475	-2,896
- Loans granted	3	-2,341	-7,790
		-37,820	-31,855
Disposals:			
- Tangible fixed assets	2	5,148	2,679
- Group companies	3	300	659
- Repayments on long-term receivables	3	389	3,212
		5,837	6,550
Cash flow from investment activities		-31,983	-25,305
Cash flow before financing		42,043	-42,998
Repayments on long-term liabilities	10	-3,749	-486
Dividend paid to shareholders	26	-20,000	-10,200
Dividend paid to noncontrolling interests	26	-1,537	-
Cash flow from financing activities		-25,286	-10,686
Cash flow balance		16,757	-53,684
Net cash at start of financial year	7	233,403	287,087
Net cash at end of financial year	7	250,160	233,403
Change in cash and cash equivalents		16,757	-53,684

NOTES TO THE CONSOLIDATED BALANCE SHEET

General

Reporting entity

Dura Vermeer Groep NV ('the company') is a public limited company with its registered office in Rotterdam, is registered in the Dutch Commercial Register under number 24289036. The head office is located at Rotterdam Airportplein 21, 3045 AP in Rotterdam.

These financial statements contain the financial information of both the company and the company's consolidated companies.

The company is active in residential construction, non-residential construction, infrastructure and technical installation in the Netherlands. Our core activities include the design, development and realisation of construction and infrastructure projects, including management and maintenance, renovation and transformation.

Reporting period

These financial statements relate to the financial year 2023, which ended on the balance sheet date of 31 December 2023.

Basis of preparation

The company's consolidated financial statements are part of the company's financial statements under the articles of association and have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code. Unless stated otherwise in the other principles set out below, the accounting principles applied for the valuation of assets and liabilities and the determination of the result are based on the historical cost convention.

Application of Section 402, Book 2, of the Dutch Civil Code

The company's financial information is included in the consolidated financial statements. Therefore, in accordance with Section 2:402 of the Dutch Civil Code, the company profit and loss account states only the company's share of the profit (or loss) after taxes of entities in which it has an equity interest and its other income (or losses) after taxes.

Going concern

These annual financial statements have been prepared on a going concern basis.

Principles for the valuation of assets and liabilities and the result determination

General

Assets and liabilities are recognised at historical cost, unless otherwise stated in the accounting policies below.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits will flow to the company and the asset has a cost price or value that can be measured reliably. Assets that do not meet these criteria for recognition are not recognised in the balance sheet and are instead accounted for as off-balance sheet assets.

A liability is recognised in the balance sheet when it is probable that the settlement of the liability will result in an outflow of resources embodying economic benefits and the amount at which the settlement will take place can be measured reliably. Liabilities also include provisions. Liabilities that do not meet the criteria for recognition are not recognised in the balance sheet, and are instead accounted for as off-balance sheet liabilities.

An asset or liability recognised in the balance sheet remains on the balance sheet if a transaction does not result in a significant change in the economic reality with respect to the asset or liability. Nor do such transactions give rise to the recognition of results. The assessment of whether there is a significant change in the economic reality is based on the economic benefits and risks that are likely to occur in practice and not on benefits and risks that cannot reasonably be expected to occur.

An asset or liability is no longer recognised in the balance sheet if a transaction results in virtually all or all rights to economic benefits and all or virtually all risks relating to an asset or liability being transferred to a third party. The results of the transaction are in that case recognised directly in the profit and loss account, taking into account any provisions that need to be made in connection with the transaction. An asset or liability remains recognised in the balance sheet, however, if transactions do not result in a significant change in the economic reality with respect to the relevant asset or liability.

If the representation of the economic reality results in the inclusion of assets which are not legally owned by the legal entity, then this fact shall be stated.

Income is recognised in the profit and loss account when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Expenses are recognised when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Revenue and expenses are allocated to the period to which they relate. Revenue is recognised when all significant risks associated with the projects have been transferred to the buyer.

Presentation and functional currency

The financial statements are presented in euros, the company's functional currency. All financial information in euros has been rounded to the nearest thousand.

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods affected by the revision.

In the opinion of the company's management, the valuation of work in progress is the most critical for the presentation of the financial position and requires estimates and assumptions.

Consolidation principles

Scope of consolidation

The consolidated financial statements include the financial information of the company and its subsidiaries in the group, other group companies and other legal entities over which the company can exercise control or which are under its centralised management. Subsidiaries are equity interests in which the company (and/or one or more of its subsidiaries) can exercise more than half of the voting rights in the general meeting, or can appoint or dismiss more than half of the management board members or supervisory board members. Group companies are equity interests in which the company holds a controlling interest, or on which decisive control can be exercised in some other way. In determining whether decisive control can be exercised, financial instruments are taken into account if they contain potential voting rights which can be exercised

such that they consequently afford the company more or less influence.

Newly acquired equity interests are consolidated from the moment significant influence can be exercised over policy matters. When equity interests are sold, they are consolidated until the moment this influence ends.

For a comprehensive overview of the consolidated and non-consolidated equity interests, building consortia and other collaborations of Dura Vermeer Groep N.V., see the list filed with the Chamber of Commerce.

Acquisitions

An acquisition is a transaction in which the group acquires control of the equity (assets and liabilities) and operations of an acquired party.

Acquisitions are accounted for using the purchase accounting method on the date on which control is transferred to the group (the acquisition date). The acquisition price is set at the agreed amount of money or equivalent for the acquisition of the acquired party, or the fair value of the consideration provided on the acquisition date. The acquisition price is increased by the costs directly attributable to the acquisition. If the purchase price is deferred, the acquisition price is set at the present value of the purchase price.

The group recognises the identifiable assets and liabilities of the acquired party as at the acquisition date. These assets and liabilities are recognised separately at their fair values provided that it is probable that future economic benefits will flow to the group (assets) or the settlement will result in an outflow of resources embodying economic benefits (liabilities), and their cost or fair value can be measured reliably.

See the accounting policy in the section Intangible assets for the treatment of any positive or negative goodwill arising on acquisition.

An agreed possible adjustment to the acquisition price that is contingent on future events is included in the acquisition price as soon as the adjustment is probable and its amount can be reliably determined. A previous estimate of the acquisition price adjustment may also need to be revised. Such adjustments to the acquisition cost, accounted for as changes in estimates, also result in adjustments to the determined (positive or negative) goodwill. Adjusted goodwill is amortised prospectively from the time of the change in acquisition cost. Comparative figures are not adjusted.

Consolidation method

The items in the consolidated financial statements are drawn up in accordance with uniform accounting policies of the group.

In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. The results of transactions between group companies have also been eliminated insofar as the results were not realised through transactions with third parties outside the group and insofar as there is no impairment. In a transaction where the legal entity has a non-100% stake in the selling group company, elimination from the group result is allocated proportionally to the minority interest based on the minority interest's share in the selling group company.

The group companies are fully consolidated, with minority interests held by third parties being expressed separately within group equity. If the losses attributable to the minority interest of third parties exceed the minority interest in the equity of the consolidated company, the difference, as well as any further losses, shall be borne entirely by the majority shareholder, unless and to the extent that the minority shareholder has the obligation and the ability to bear such losses. Minority interests in the result are deducted separately from the group result as the final item in the consolidated profit and loss account.

Accounting policies for the consolidated balance sheet

Financial instruments

Financial instruments comprise investments in shares and bonds, trade and other receivables, cash, loans and borrowings, derivative financial instruments (derivatives) and trade and other payables. The company's financial statements include these categories of financial instruments with the exception of shares and bonds and derivative financial instruments.

Financial assets and financial liabilities are recognised in the balance sheet at the moment that contractual rights or obligations with respect to these assets and liabilities arise.

A financial instrument is no longer recognised in the balance sheet if a transaction results in all or virtually all rights to economic benefits and all or virtually all risks relating to a position being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation takes place on the basis of individual components of financial instruments as financial asset, financial liability or equity.

Embedded derivatives which are not separated from the host contract are recognised in accordance with the host contract.

Financial instruments are initially recognised at fair value, which includes the share premium or discount and directly attributable transaction costs. If financial instruments are subsequently measured at fair value with changes in fair value recognised through profit or loss, any directly attributable transaction costs are recognised immediately in the profit and loss account.

Subsequent to initial recognition, financial instruments are measured in the manner described below.

Loans granted and other receivables

Subsequent to initial recognition, loans and other receivables are measured at amortised cost using the effective interest method less any repayments and, if applicable, impairment losses. The effective interest and any impairment losses are recognised directly in the profit and loss account. Purchases and sales of financial assets belonging to the category 'loans and other receivables' are recognised at the transaction date.

Long-term and current liabilities and other financial obligations

Subsequent to initial recognition, long-term and current liabilities and other financial obligations are measured at amortised cost using the effective interest method. The effective interest is recognised directly in the profit and loss account.

Impairment of financial assets

A financial asset that is not measured at (1) fair value with value changes reflected in the profit or loss account, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes breach of contract, failure to meet payment obligations and/or arrears in interest or principal payments, restructuring of an amount due to the company under conditions that the company would not otherwise have considered, indications that a debtor will enter bankruptcy or probable financial restructuring, and the disappearance of an active market for a particular security. In addition, subjective indicators are considered along with objective evidence of impairment. Examples include the loss of active markets in the case of listed financial assets, a downgrade in the creditworthiness of the other party being the legal entity or debtor of the issued instrument, or a decline in the fair value of a financial asset below its cost or amortised cost.

The company considers evidence of impairment for receivables measured at amortised cost both individually and on a portfolio basis. All individual significant receivables are assessed individually for impairment.

The individually significant receivable that are not found to be individually impaired and receivables that are not individually significant are then collectively assessed for impairment by grouping together receivables with similar risk characteristics.

When assessing whether there is a collective reduction in value, the company uses historical trends regarding the likelihood of default of a debtor, the timeframe within which receivables are collected and the amount of the losses incurred. The outcomes are adjusted if the management believes that the current economic and credit conditions suggest that it is likely that the actual losses will be higher or lower than suggested by historical trends.

An impairment loss on a financial asset measured at amortised cost is determined as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the profit and loss account.

If in a subsequent period the value of an asset subject to an impairment increases and the recovery can be objectively related to an event occurring after the impairment loss was recognised, the increase of the asset's carrying amount (up to maximum the original cost) is recognised in the profit and loss account.

Netting of derivative financial instruments

A financial asset and a financial liability are offset if the company has a valid legal instrument to offset the financial asset and financial liability and the company has the firm

intention either to settle the liability on a net basis or to realise the asset and settle the liability simultaneously.

Intangible fixed assets

Intangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible fixed assets are valued at cost of acquisition or cost of manufacture, less accumulated amortisation and impairment.

Subsequent expenditure on a purchased or self-manufactured intangible asset is added to the cost of acquisition or cost of manufacture if it is probable that the expenditure will result in an increase in expected future economic benefits and the expenditure and the allocation to the asset can be measured reliably. If the conditions for capitalisation are not met, the expenditure is recognised as an expense in the profit and loss account.

The principles for determining and accounting for impairment losses are included under impairment of fixed assets.

Goodwill

Goodwill represents the excess of the cost of acquisition of the equity interests (including transaction costs directly related to the acquisition) and the group's share of the net fair value of the acquired identifiable assets and liabilities of the acquired equity interest, less cumulative amortisation and cumulative impairment losses. This principle is applied to both consolidated equity interests and non-consolidated equity interests. Goodwill generated internally is not capitalised.

Capitalised goodwill is amortised on a straight-line basis over its estimated useful life.

Development costs

Development costs are capitalised insofar as they relate to projects deemed commercially viable. The development of an intangible fixed asset is considered commercially feasible if it is technically feasible to complete the asset, the company intends to complete the asset and subsequently use it, the company has the ability to use the asset, the asset is likely to generate future economic benefits and the expenditures during development can be reliably determined. Development costs are valued at cost of manufacture, less accumulated amortisation and impairments. Capitalised costs are amortised after completion of the development phase (asset ready for

commissioning) over the expected useful life, which is 3 years. Amortisation takes place using the straight-line method. Research and other development costs are expensed in the period in which they are incurred.

A statutory reserve is formed for the unamortised portion of capitalised development costs.

Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Land and buildings, plant and equipment, other fixed operating assets and items of tangible fixed assets that are not used in the production process are measured at cost, less cumulative depreciation and, if applicable, impairment losses.

The cost of these assets comprises the cost of acquisition or cost of manufacture and other costs incurred in bringing the assets to their location and in the condition required for their intended use.

Depreciation is calculated as a percentage of the purchase price according to the straight-line method on the basis of the useful life, taking into account any residual value of the individual assets. Land is not depreciated. The recognition of depreciation charges starts when an asset is available for its intended use and ends upon its decommissioning or disposal.

The company buildings and locations presented as 'not used in the production process' are depreciated based on their useful life of 20 to 30 years. Plant and equipment are depreciated on the basis of the useful life of 8 to 10 years of the relevant assets. Other fixed operating assets are depreciated based on a useful life of 3 to 10 years.

The company applies the component approach for property, plant and equipment if significant individual components of an item of property, plant and equipment can be distinguished from each other. Taking into account differences in useful life or expected usage patterns, these components are depreciated separately.

Decommissioned assets are measured at the lower of their carrying amount before the time of decommissioning and net realisable value.

Financial fixed assets

Equity interests with significant influence

Equity interests in entities where the company can exercise significant influence on the business and financial policy are measured on the basis of their net asset value in accordance with the equity method. If an equity interest cannot be measured at net asset value because the required information cannot be obtained, it is measured at its visible equity value. In assessing whether the company exercises significant influence on the business and financial policy of an entity in which it has an equity interest, the company takes into consideration the totality of the facts and circumstances and contractual relationships (including any potential voting rights).

The net asset value is determined on the basis of the company's accounting policies.

If the participating legal entity transfers an asset or a liability to an equity interest that is valued in accordance with the equity method, the profit or loss arising from this transfer is recognised in proportion to the relative third-party interest in the equity interest (proportionate result recognition).

Equity interests with a negative net asset value are stated at nil. This valuation also includes long-term receivables from the equity interests that should actually be considered part of the net investment. In particular this concerns loans whose settlement is neither planned nor likely in the near future.

A share of the profit of an equity interest is only recognised in later years if and insofar as the cumulative portion of the non-recognised share of the loss has been made good. However, if the company furnishes full or partial surety for the debts of an entity in which it has an equity interest, or has the constructive obligation to enable the equity interest (in respect of its share) to enable the entity to repay its debts, a provision is recognised equal to the repayments expected to be made by the company on behalf of the entity.

Equity interests without significant influence

Equity interests in which no significant influence is exercised are valued at the lower of the cost of acquisition or realisable value. If there is a definite intention to dispose of the interest, valuation takes place at the lower expected sales value, if applicable. If the company transfers an asset or a liability to an equity interest measured at cost of acquisition, the gain or loss arising from this transfer is recognised directly and fully in the consolidated profit and loss account, unless the gain on the transfer is substantially unrealised.

Joint ventures

Equity interests in which the company has joint control with other participants (joint ventures) are measured according to the equity method based on their net asset value. In the case of joint ventures that involve jointly performing activities but where each participant retains exclusive control of its assets, the company recognises the assets it controls, as well as the obligations it enters into, the costs it incurs and its share of the profit (loss) on the sales and/or services rendered by the joint venture. In the case of a joint venture where the activities are performed jointly using assets over which the participants have joint control, the company recognises the joint assets, liabilities, costs and revenues proportionally.

On contribution or sale of assets by the company to a joint venture, the company recognises in the profit and loss account that portion of the profit (loss) that corresponds to the proportional interest of the other participants in the joint venture. No profit (loss) is recognised if the non-monetary assets contributed by the participants are approximately equal in nature, use (in the same business activity) and fair value. Any profit (loss) not reported is deducted from the net asset value of the joint venture. Any losses on current assets or impairments of fixed assets, on the other hand, are recognised by the company directly and fully.

When the joint venture sells assets to the company the company does not recognise the joint venture's share of the gain or loss on that sale in the profit and loss account until the asset concerned is sold or re-sold to a third party. However, if there is a loss on current assets or an impairment of fixed assets, the company recognises its share in this loss immediately.

Other financial fixed assets

Receivables from non-consolidated equity interests are initially measured at fair value plus directly attributable transaction costs. These receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

The accounting policies for other financial fixed assets are set out in the section Financial instruments.

Dividends are recognised in the period in which they are made payable. Dividends from equity interests valued at cost of acquisition are recognised as income from equity interests (under financial income).

Impairments of fixed assets

For property, plant and equipment and equity interests in which significant influence can be exercised, an assessment is made at each balance sheet date as to whether there are indications that these assets are subject to impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the greater of its value in use or net realisable value. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount is determined based on the cash-generating unit to which the asset belongs.

When the carrying amount of an asset (or cash-generating unit) exceeds the recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. In the event of an impairment loss of a cash-generating unit, the loss is first allocated to the goodwill that was allocated to the cash-generating unit. Any remaining loss is attributed to the unit's other assets pro rata to their carrying amounts.

Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. If any such indication exists, the recoverable amount of the particular asset (or cash-generating unit) is estimated.

An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset (or cash-generating unit) is increased to its estimated recoverable amount, but not in excess of the carrying amount that would have been determined (net of depreciation or amortisation) if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years.

An impairment loss for goodwill is not reversed in a subsequent period.

Disposal of fixed assets

Assets available for sale are measured at the lower of their carrying amount and net realisable value.

Inventories

The inventory of land is stated at the lower of cost and net realisable value. The cost consists of the price of acquisition plus other costs of bringing the inventories to their present location and condition. The net realisable value is based on the most reliable estimate of the maximum amount that the inventories will yield, with deduction of costs still to be incurred. The inventory of land concerns land

positions acquired for development as construction sites in the near future.

Inventories of raw materials and consumables are measured at cost of acquisition based on the first-in, first-out (FIFO) method or lower net realisable value.

Finished goods refers to unsold properties that have already been completed. Finished goods is valued at the cost of manufacture, consisting of the purchase costs of raw materials and consumables used and other costs directly attributable to manufacture. No interest is allocated to the cost of manufacture.

Trade discounts, rebates and similar payments (to be) received in connection with the purchase of inventories are deducted from the cost of acquisition.

Work in progress

Work in progress is a project that has been agreed with a third party for the construction of an asset or combination of assets in which construction usually extends over more than one reporting period. Due to the nature of the work in progress, the date on which a project starts and the date on which the project is completed may fall in different reporting periods.

Revenues from work in progress is recognised on the basis of each individual agreement. In certain cases, however, they are treated on the separately identifiable performance obligations of a contract in order to reflect economic reality (where the goods or services promised in a contract are separate performance obligations).

Project revenue is presented as part of Operating income in the profit and loss account.

Work in progress comprises the balance of realised project costs, attributed profit, recognised losses and instalments already invoiced. Work in progress represents a receivable from the client (if an asset), or an amount due to the client (if a liability) for work yet to be performed or an amount received in advance. If the work in progress:

- has a debit balance, the net amount is recognised as an asset;
- has a credit balance, the net amount is recognised as a liability.

The work in progress is presented separately in the balance sheet under current assets between inventories and receivables if it has a debit balance. The work in progress is presented separately in the balance sheet under current liabilities if it has a credit balance.

The valuation of work in progress includes the direct project costs (such as personnel costs for employees directly involved in the project, costs of materials, costs of land and sites and depreciation charges for plant and equipment used in the execution of the project), costs that are attributable to project activities in general and can be allocated to the project, and other costs that are contractually chargeable to the client. Interest expenses are not allocated to work in progress.

Revenues, costs and profits in respect of work in progress are recognised pro rata to the completion of the work (percentage-of-completion method). The proportion of a project in progress that is completed is measured by reference to the contract costs incurred up to the balance sheet date as a proportion of the estimated total project costs or by reference to the instalments invoiced, if this is a good indication of the progress of the project. Recognition takes place as soon as a reliable estimate can be made of the result of the work in progress.

The result of a fixed price contract can be reliably estimated if the total project revenues, the project costs required to complete the project and the stage of the completion of the project in progress can be reliably determined, it is probable that the economic benefits will flow to the company and the project costs attributable to the work in progress can be clearly identified and reliably determined.

The result of a cost-plus contract can be reliably estimated if it is probable that the economic benefits will flow to the company and the project costs attributable to the project in progress can be clearly identified and reliably determined.

If the result of a project in progress cannot be estimated reliably, project revenues are only recognised in profit and loss up to the amount of the project costs incurred that is likely to be recovered. Project costs are recognised in profit and loss in the period in which they are incurred.

Project revenues refers to the revenues agreed in the contract plus any revenues based on additional work, contract reductions, claims and fees. Revenues are recognised based on the determined transaction price, being the amount the company expects to be entitled to in exchange for the performance rendered. In the case of variable fees, the company estimates the size in such a way that there is a low probability that the project revenues will have to be reversed later.

Expenditures relating to project costs that will lead to required deliverables after the balance sheet date are recognised under work in progress or prepayments and accrued income if it is probable that they will lead to revenues in the following period. Project costs are recognised in profit and loss if the deliverables in the project are delivered and have been realised.

Expected losses on work in progress are taken directly to profit and loss. The amount of the loss is determined irrespective of whether the project has already been started, the stage of completion of the project, or the amount of profit expected from other, unrelated projects. The company takes into account all performance obligations included in an agreement and the total expected project costs and project revenues.

Receivables

The accounting policy for receivables is described in the section Financial instruments.

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents that are not readily available to the company within 12 months are classified as financial fixed assets.

Equity

Financial instruments issued that qualify as equity instruments on the basis of their economic substance are presented under equity. Payments to holders of these instruments are deducted from equity after having first deducted any related income tax gain.

Financial instruments issued that qualify as financial liabilities on the basis of their economic substance are presented under liabilities. Interest, dividends, gains and losses associated with these financial instruments are recognised in the profit and loss account as expenses or income.

Share premium

Amounts contributed by shareholders in excess of the nominal share capital are recognised as share premium. This also includes additional capital contributions by current shareholders without the issue of shares or the issue of rights to subscribe for or acquire shares in the company.

Minority interest third parties

Minority interests in third parties are valued at the pro rata share of third parties in the net value of the assets and liabilities of a consolidated company, determined in accordance with the company's accounting policies.

Provisions

General

A provision is included in the balance sheet if:

- as a result of a past event, the company has a present legal or constructive obligation;
- that can be estimated reliably; and
- it is probable that an outflow of funds will be required to settle the obligation.

Rights and obligations arising from the same agreement are not recognised in the balance sheet if and to the extent that neither the company nor the counterparty has performed. Recognition in the balance sheet takes place if the performance still to be received or delivered and the consideration are not in balance or are no longer in balance with each other and this has an adverse effect for the company. If it is probable that any of the expenses expected to be incurred to settle the provision will be reimbursed by a third party, the reimbursement is presented as a separate asset.

If the time value of money is material and the period over which the expenditure is discounted is more than one year, provisions are measured at the present value of the best estimate of the expenditure expected to be necessary to settle the liabilities and losses. Provisions are measured at nominal value if the time value of money is not material or the period over which the expenditure is discounted is at most one year.

Warranty provision

De voorziening voor garantieverplichtingen houdt verband met de geschatte kosten voor zowel in rechte afdwingbare verplichtingen (geleverde producten of verrichte diensten voldoen niet aan de overeengekomen kwaliteiten) of feitelijke verplichtingen (bij wijze van service/coulance, voor zover algemeen bekend en gebruikelijk). Deze geschatte kosten zijn gebaseerd op historische garantiedata en het gemiddelde van alle mogelijke uitkomsten, vermenigvuldigd met de kans dat de uitkomst zich voor zal doen.

Provision for long-service awards

The provision for long-service awards is a provision for future payments for long service. The provision concerns the present value of the estimated amount of long-service awards payable in the future. The calculation is based

on commitments made, future salary rises, likelihood of staying and ages.

Provision for deferred tax liabilities

The valuation of the provision for deferred tax liabilities is explained in section Taxes.

Provision for onerous contracts

A provision is formed for an onerous contract and is formed for the negative difference between the expected benefits from the performance to be received by the company after the balance sheet date and the unavoidable costs of meeting the obligations. The unavoidable costs are the costs that must at least be incurred to dispose of the contract, being the lower of the costs of fulfilling the obligations and the fees or penalties in case of non-fulfilment.

Long-term liabilities

The valuation of long-term liabilities is described in the section Financial instruments.

Current liabilities

The valuation of current liabilities is explained in the section Financial instruments.

Principles for the determination of profit or loss

Operating income

The company recognises revenue by individual performance obligation. A performance obligation refers to a commitment in a contract to deliver:

- a distinguishable good or service or a combination of goods or services that are collectively distinguishable from other commitments in the contract; or
- a set of distinguishable services that are largely the same.

A promised good or service is distinguishable if the following criteria are met:

- the customer can independently exploit the benefits of the goods or services, whether or not jointly with resources that the customer has or can obtain; and
- the commitment to provide the goods or services is distinguishable from the other commitments included in the contract.

If two or more of the undertaking's commitments to supply goods or services included in a contract are not distinguishable from each other, the commitments are combined into a combination of goods or services that

are collectively distinguishable from other commitments in the contract.

In case there are multiple performance obligations in a contract, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. The company bases this value on the independent selling price per performance obligation. If the independent selling price is not known, the company uses estimates.

Services

Revenues from rendering services are recognised in operating income at the fair value of the consideration received or receivable, net of allowances and discounts.

Revenue from rendering services is recognised in profit or loss when the amount of revenue can be measured reliably, collection of the consideration is probable, the stage of completion of the service as at the balance sheet date can be measured reliably and the costs already incurred and still to be incurred (if any) to complete the service can be measured reliably.

If the outcome of a particular service contract cannot be reliably determined, revenue is recognised up to the amount of the service costs covered by the revenue.

Revenues from services rendered are recognised in the profit and loss account as operating income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined on the basis of the services performed up to that point as a percentage of the total to be performed.

Work in progress

See the accounting policies in the section Work in progress.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives fees are recognised as an integral part of total rental income.

Cost of raw materials and consumables, outsourced work and other external costs

This includes the costs incurred for the purpose of operating income, insofar as these costs were charged by third parties.

Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employees render the related services and, insofar as they have not yet been paid out, are recognised as a liability in the balance sheet. If the amounts paid in employee benefits exceed the amounts payable at balance sheet date, this surplus is recognised as an asset under prepayments and accrued income to the extent that it concerns amounts that will be repaid by relevant employees or offset against future payments by the company.

For benefits with accrued rights, sabbatical leave, transition payments, profit sharing, bonuses and share-based benefits, the expected charges during the period of employment are taken into account. Any expected profit-sharing and bonus payments are recognised if the obligation to make such payments originated on or before the balance sheet date and the obligation can be reliably estimated. Contributions received from life-course savings schemes are recognised in the period in which these contributions are owed. Additions to and releases from liabilities are charged or credited to the profit and loss account, respectively.

If a benefit is paid whereby no rights are accrued (e.g. continued payment in the event of illness or disability), the expected costs are recognised in the period over which this benefit is owed. A provision is recognised for obligations existing on the balance sheet date to continue to pay benefits (including severance payments) to employees who, on the balance sheet date, are expected to be wholly or partly unable to work due to illness or disability.

The liability recognised is the best estimate of the amounts necessary to settle the particular liability as of the balance sheet date. The best estimate is based on contractual agreements with employees (CLA and individual employment contracts). Additions to and releases from liabilities are charged or credited to the profit and loss account, respectively.

For disability risks that are insured, a provision is made for the part of the insurance premium payable in the future that is directly attributable to the company's individual claims history. If no reliable estimate can be made of the amount of the part of the insurance premium payable in the future that is directly attributable to the company's individual claims history, no provision is included.

Pensions

As a rule, the pension charge to be recognised for 2020 is equal to the pension contributions payable to the pension fund for that period. A liability is recognised if the pension contributions payable have not been paid yet by the balance sheet date. If the pension contributions paid as at the balance sheet date exceed the pension contributions payable, an asset is recognised under prepayments and accrued income if the fund will refund this amount or offset it against future payable pension contributions.

The pension plans of the majority of employees are placed with the Stichting Bedrijfstakpensioenfonds voor de Bouwnijverheid (bpf BOUW). This concerns two schemes: a career average pension scheme and a defined contribution scheme. In the event that the industry-wide pension fund referred to above has a deficit or in the case of indexation of claims and rights, the company has no obligation to make additional payments other than future pension contribution increases. On 31 December 2023, the pension fund had a coverage ratio (market value of plan assets as a percentage of the provision for pension obligations according to the accounting policies of the Dutch central bank) of 123.9% (31 December 2022: 122.0%).

Severance payments

Severance payments are payments granted in exchange for the termination of employment. A severance payment is recognised as a liability and an expense if the company has demonstrably committed unconditionally to paying a severance payment.

Leasing

The company may enter into finance and operating leases. A lease is classified as a finance lease if it transfers all or substantially all the risks and rewards incidental to ownership to the lessee. All other leases classify as operating leases. The classification of leases depends on the substance of the transaction rather than the legal form. Lease classification takes place at the time the relevant lease agreement is entered into.

Operating lease

If the company is the lessee in an operating lease, the leased asset is not recognised. Fees received as an incentive to enter into an agreement are recognised as a reduction of the lease cost over the lease period. Lease payments and fees relating to operating leases are charged or credited to the profit and loss account on a straight-line basis over the lease period, unless a different allocation system is more representative of the pattern of benefits to be obtained from the lease object.

Interest receivable and similar income and interest payable and similar expenses

Interest income is recognised in the period to which it relates, based on the effective interest rate for the relevant asset. Interest payable and similar expenses are recognised in the period to which they relate.

Taxes

Income tax expense comprises current tax payable and offsettable and deferred tax. Taxes are recognised in the profit and loss account, except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable (offsettable) in respect of the taxable income for the financial year, calculated on the basis of tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable for prior years.

If the carrying amounts of assets and liabilities for financial reporting purposes differ from their carrying amounts for tax purposes, these are temporary differences.

A provision for deferred tax liabilities is created for taxable temporary differences.

A deferred tax asset is recognised for deductible temporary differences, available carry-forward losses and unused tax deduction options, but only to the extent that it is likely that tax profits will be available in the future for set-off or compensation. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for taxable temporary differences relating to group companies, equity interests and joint ventures, unless the company is able to control the timing of the reversal of the temporary difference and it is probable that the reversal will not occur in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences relating to group companies, equity interests and joint ventures, but only to the extent that it is probable that the temporary difference is reversed in the foreseeable future and that taxable profit will be available to compensate the temporary difference.

Deferred tax assets and liabilities are presented in the balance sheet on a net basis if the company has an adequate legal instrument to set off the assets the taxes assets for a reporting year against deferred tax liabilities, to the extent they relate to the same financial year and

the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable legal entity, or the same fiscal unity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences of the manner in which the company intends to realise or settle its assets, provisions, liabilities and accruals on the balance sheet date. Deferred tax assets and liabilities are stated at nominal value.

Corporation tax is calculated on the operating result, taking into account tax facilities and non-deductible costs.

Fiscal unity

Most of the consolidated equity interests are part of Dura Vermeer Groep N.V.'s fiscal unity for the purposes of corporation tax and VAT and are therefore jointly and severally liable for any tax payable by the companies in the fiscal unity. A complete list of Dura Vermeer Groep N.V.'s equity interests belonging to the fiscal unity is available for inspection at the Chamber of Commerce.

Profit (loss) from equity interests

The share in the profit (loss) from equity interests concerns the group's share of the profit (loss) of entities in which it has an equity interest, determined on the basis of the accounting policies of the group. Gains and losses on transactions that involved the transfer of assets and liabilities between the group and the non-consolidated equity interests, or between its equity interests themselves, are not recognised if they can be deemed unrealised. Profits or losses from equity interests acquired or disposed of during the financial year are accounted for in the group's profit or loss from the date of the acquisition or until the date of disposal of the relevant equity interest.

Cash flow statement

The cash flow statement is prepared using the indirect method. The cash and cash equivalents in the cash flow statement can be converted into cash without restrictions and without material risk of impairment as a result of the transaction.

Interest receipts and expenditure, dividends received and taxes on profits are included under the cash flow from operating activities. Dividends paid are included in cash flow from financing activities.

The cost of acquisition of a group company acquired is included in cash flow from investment activities, insofar as payment was made in cash. The cash and cash equivalents present in a group company acquired is deducted from the purchase price.

Fair value measurement

The fair value of a financial instrument is the amount for which an asset can be traded or a liability settled between knowledgeable and willing parties in an arm's-length transaction.

The fair value of non-listed financial instruments is measured based on their expected future cash flows, calculated using a discount rate that reflects the risk-free market interest rate applicable to the residual term of the instrument plus credit and liquidity premiums.

Related parties

Transactions with related parties are disclosed insofar as they have not been entered into under normal market conditions. The nature and the size of these transactions as well as any other information that is needed to provide understanding of the transaction concerned is disclosed.

Subsequent events

Events that provide further information about the actual situation as at the balance sheet date and that have occurred up to the date of preparation of the financial statements are included in the financial statements.

Events that do not provide further information about the actual situation at the balance sheet date are not included in the financial statements. If such events are significant for the opinion-forming of the users of the financial statements, the nature and estimated financial impact of these are disclosed in the financial statements.

NOTES TO THE CONSOLIDATED BALANCE SHEET

1 Intangible fixed assets

(Amount x € 1,000)	Goodwill	Software development costs	Total
Acquisition value	25,541	1,379	26,920
cumulative amortisation	-4,168	-659	-4,827
Carrying amount 1 January 2023	21,373	720	22,093
Changes in carrying amount:			
Reclassification (acquisition value)	-	10,197	10,197
Reclassification (cumulative depreciation)	-	-5,468	-5,468
Investments	-	2,025	2,025
Disposals (acquisition value)	-195	-	-195
Disposals (cumulative depreciation)	195	-	195
New consolidations	15,532	-	15,532
Revaluation	1,391	-	1,391
Depreciation	-4,642	-1,184	-5,826
Total changes 2023	12,281	5,570	17,851
Acquisition value	42,269	13,601	55,870
Cumulative amortisation	-8,615	-7,311	-15,926
Carrying amount 31 December 2023	33,654	6,290	39,944

On 1 January 2023, Dura Vermeer acquired 75% of the shares and voting rights of technical services provider Nexton Smartbuilding B.V. to strengthen its Technical installation Division. Nexton's 2022 revenue was € 41.9 million, net income was € 0.3 million, the balance sheet total at year-end 2022 was € 19 million and 169 employees were employed during 2022. Nexton focuses on consultancy, design, product development, implementation and maintenance of (building-related) systems. The acquisition was accounted for using the purchase accounting method. On 1 January 2025, Dura Vermeer will acquire the remaining 25% of the shares.

The revaluation relates to the purchase obligation on 1 January 2025 of the 33% remaining shares of A. de Reus. The purchase obligation of the remaining shares of both A. de Reus and Nexton Smartbuilding B.V. are recognised in long-term debt.

The goodwill is amortised over a period of 10 years, given the long-term nature of the (maintenance) contracts of these entities.

The reclassification relates to capitalised development costs which will be classified under intangible fixed assets as of the 2023 financial year.

2 Tangible fixed assets

(Amount x € 1,000)	Land and buildings	Plant and equipment	Not used in the production process	Other fixed operating assets	Total
Acquisition value	44,124	72,942	34,717	70,476	222,259
Cumulative amortisation and depreciation	-19,118	-52,305	-6,600	-53,270	-131,293
Carrying amount 1 januari 2023	25,006	20,637	28,117	17,206	90,966
Changes in carrying amount:					
Investments	354	9,532	4,302	10,277	24,465
Disposals (acquisition value)	-899	-12,958	-	-11,775	-25,632
Disposals (cumulative depreciation)	250	11,566	-	9,594	21,410
New consolidations (acquisition value)	1,379	15	211	2,632	4,237
New consolidations (cumulative depreciation)	-956	-15	-849	-1,741	-3,561
Exceptional decrease in value (depreciation)	-1,099	-	-	-1,510	-2,609
Reversal of impairments	-	2,074	-	-	2,074
Reclassification (acquisition value)	-	-	-	-8,026	-8,026
Reclassification (cumulative depreciation)	-	-	-	5,468	5,468
Reclassification to other finance section (acquisition value)	155	-	-	-206	-51
Reclassification to other finance section cumulative depreciation)	223	-	-	-172	51
Depreciation	-1,217	-7,431	-814	-4,584	-14,046
Total changes 2023	-1,810	2,783	2,850	-43	3,780
Acquisition value	45,113	69,531	39,230	63,378	217,252
Cumulative amortisation	-21,917	-46,111	-8,263	-46,215	-122,506
Carrying amount 31 december 2023	23,196	23,420	30,967	17,163	94,746

€ 20.3 million of the land and buildings serves as collateral for debts to credit institutions (31 December 2022: € 22.8 million). The market value of the relevant buildings and land is € 25.9 million. The market values are determined on the basis of periodic valuations carried out by independent appraisers.

The € 1.1 million impairment relates to the write-down of a building whose appraised market value is lower than its book value. The € 1.5 million impairment recognised in other fixed operating assets relates to the write-down of fixtures and fittings of office premises due to change of use.

The property, plant and equipment presented under 'Not used in the production process' concerns three sites that are operated on a long-term basis. One new site is being operated as of 2023. Dura Vermeer intends to take the three sites into production or sell them in the future.

Other fixed operating assets include € 1.9 million in respect of finance leases.

Divestments mainly relate to the sale of an asphalt plant. The impairment recognised on this in 2021 has been reversed this year. The new consolidations mainly relate to the Nexton acquisition. The reclassification relates to capitalised development costs which will be classified under intangible fixed assets as of the 2023 financial year.

Future investment commitments of € 8.2 million (2022: € 5.1 million) have been entered into in respect of machinery, plant and other fixed operating assets.

3 Financial fixed assets

(Amount x € 1,000)	Equity interests	Receivables from equity interests	Deferred tax asset	Other receivables	Total
Carrying amount 1 januari 2023	28,371	7,668	627	19,746	56,412
Share in results	3,373	-	-	-	3,373
Dividends received	-2,384	-	-	-	-2,384
Investments	896	-	-	-	896
Disposals	-300	-	-	-	-300
Repayments	-	-320	-	-66	-386
New loans	-	377	-	270	647
Reclassification	-	-	-382	382	-
Amounts used	-	-	-317	-	-317
New consolidations	697	93	1,810	-	2,600
Other changes	55	-3	16	1,750	1,818
Carrying amount 31 December 2023	30,708	7,815	1,754	22,082	62,359

Amounts receivable from equity interests of € 7.8 million comprise € 4.3 million receivable from Groene Boog Holding B.V. and € 1.3 million receivable from Coentunnel Company B.V. € 0.4 million of the total receivables from equity interests is current.

The deferred tax asset concerns the recognised available tax loss carry forward of two equity interests not belonging to the fiscal unity. Of this, € 0.2 million is short-term.

Other receivables of € 22.1 million comprise an interest-bearing loan of € 16.2 million to a development consortium for the purchase of land. A right of first mortgage has been granted for the loan. The other change in the financial year of € 1.8 million relates to an option fee paid for land.

In accordance with statutory provisions, a list of the consolidated and non-consolidated equity interests and building consortiums and other partnerships has been filed with the Chamber of Commerce for inspection.

4 Inventories

(Amount x € 1,000)	31-12-2023	31-12-2022
Land	90,666	89,109
Raw materials and consumables	7,443	9,604
Finished goods	5,739	1,813
Total	103,248	100,526

The value of the land positions was analysed at year-end 2023 based on the current expectations in relation to the development potential, development periods and price level. The cumulative impairment on land positions at year-end € 2023 was 1.6 million (year-end 2022: € 3.8 million). The impairment decrease arose from taking one land position under development.

Finished goods refers to unsold properties that have already been completed.

5 Work in progress

(Amount x € 1,000)	31-12-2023	31-12-2022
Realised project costs including attributed profit	1,892,449	1,830,779
Less: Progress billings to clients	-1,922,448	-1,827,611
Provision for expected losses	-67,968	-74,548
Total	-97,967	-71,380
Value of work performed < invoiced instalments	-260,162	-216,144
Value of work performed > instalments invoiced	162,195	144,764
Total	-97,967	-71,380
Projects for third parties, including PPP contracts	-126,472	-101,371
Own development projects	28,505	29,991
Total	-97,967	-71,380

Project revenues recognised in the profit and loss account in the financial year amounted to € 1.8 billion (2022: € 1.7 billion). Revenues, costs and profits in respect of work in progress are recognised pro rata to the completion of the project (percentage-of-completion method).

The balance of work in progress at year-end 2023 consists of a positive balance of € 162.2 million (2022: € 144.8 million) for work in progress where the project costs exceed the already invoiced instalments and of a negative balance of € 260.2 million (2022: € 216.1 million) for work in progress where the project costs are lower than the instalments already invoiced.

6 Receivables

(Amount x € 1,000)	31-12-2023	31-12-2022
Trade receivables	175,666	128,050
Receivables from non-consolidated participations	1,836	909
Corporation tax receivable	199	2,188
Other taxes and social insurance contributions receivable	5,051	4,490
Work yet to be invoiced	41,304	45,487
Receivables from building consortiums	22,943	20,138
Prepaid expenses	4,098	3,468
Other receivables	19,705	12,865
Total	270,802	217,594

All items under receivables, prepayments and accrued income fall due within one year. The provision for potential bad debts at year-end 2023 was € 2.6 million (2022: € 2.8 million).

7 Cash and cash equivalents

(Amount x € 1,000)	31-12-2023	31-12-2022
Current account banks	250,133	233,375
Cash equivalents	27	28
Total	250,160	233,403

Cash and cash equivalents are readily available in the amount of € 143.7 million (2022: € 151.3 million). The cash and cash equivalents not readily available concern an amount of € 90.4 million (2022: € 65.2 million) in cash and cash equivalents at consortium works and € 16.0 million (2022: € 16.9 million) in cash in G-accounts.

8 Equity

For an explanation of equity of the company, see the notes to the company balance sheet.

9 Provisions

(Amount x € 1,000)	Warranties	Jubilee provision	Deferred tax liabilities	Other provisions	Total
Carrying amount 1 January 2023	22,622	4,737	67	14,110	41,536
Addition	9,479	578	3	8,343	18,403
Withdrawals	-4,585	-180	-	-4,744	-9,509
Release	-1,493	-163	-67	-353	-2,076
Carrying amount 31 December 2023	26,023	4,972	3	17,356	48,354

Warranty provision

The warranty provision is recognised for the estimated costs that may be incurred due to warranty claims in respect of delivered work. € 6.4 million of the provision is current. The addition to the provision is related to the turnover generated from the projects completed in the financial year. The costs incurred due to warranty claims (withdrawal) are charged against the provision. The amount of the provision is reviewed periodically on the basis of the assessed risks. Additional provisions are made when deemed necessary.

Provision for long-service awards

The provision for long-service awards relates to payments to employees based on the duration of employment. € 0.3 million of the provision is current. The provision concerns the estimated amount of long-service awards payable in the future. The calculation is based on commitments made, likelihood of staying and ages. In determining the provision, account is taken of an average future salary increase of 2.8% (2022: 2.8%), an average likelihood of staying of 91% (2022: 91%) and an average discount rate of 3.5% (2022: 3.7%).

Other provisions

Among the € 17.4 million in other provisions, the provision for onerous contracts of € 10.6 million is the largest. € 0.9 million of the other provision is current.

10 Long-term liabilities

(Amount x € 1,000)	31-12-2023	31-12-2022
Purchase obligations	14,761	9,055
Lease obligations	1,902	-
Total	16,663	9,055

(Amount x € 1,000)	Purchase obligations	Lease obligations	Total
Carrying amount 1 January 2023	9,055	0	9,055
New purchase obligations	3,800	-	3,800
Revaluation of purchase obligation	1,906	-	1,906
New Lease obligation	-	1,902	1,902
Carrying amount 31 December 2023	14,761	1,902	16,663

Of the long-term liabilities of € 16.7 million, € 14.8 million relates to the purchase obligations of the remaining shares of A. de Reus, Nexton Smartbuilding B.V. and BR Holding B.V.

Credit facilities

At year-end 2023, Dura Vermeer Groep NV had a syndicated bank facility with three banks. This facility concerns a € 50 million Current Account Facility, a € 30 million Revolving Property Project Facility and a € 200 million Guarantee Facility. The facility has a term until 8 November 2027 with an option to extend it twice for one year. The interest rate is based on Euribor. No funds had been drawn from the Current Account Facility, the Residential Real Estate Facility and the Commercial Real Estate Facility at year-end 2023. With regard to the Guarantee Facility, the banks had issued guarantees for an amount of € 84.7 million at year-end 2023 (year-end 2022: € 70.8 million).

Security in the form of bank balances and trade receivables has been provided to the bank syndicate. In addition, a first and second mortgage on buildings and land have been granted for an amount of € 25.9 million.

The bank facilities are subject to solvency, leverage and interest coverage ratios. As was the case at year-end 2022, all ratios at year-end 2023 amply satisfied the standard values contained in the financing contracts.

In addition to the banks, three mutual insurance associations have provided guarantee facilities totalling € 175 million (2022: € 175 million). At year-end 2023, guarantees totalling € 125.2 million had been issued by the mutual insurance associations (2022: € 109.0 million).

11 Current liabilities

(Amount x € 1,000)	31-12-2023	31-12-2022
Amounts owed to credit institution	422	340
Current portion of long-term liabilities (10)	39	3,275
Work in progress (5)	260,162	216,144
Pre-invoiced amounts	22,457	22,065
Debts to suppliers	134,212	132,901
Amounts owed to participations	6,045	2,490
Amounts owed to building consortiums	4,029	3,126

(Amount x € 1,000)	31-12-2023	31-12-2022
Invoices to be received	89,199	80,262
Corporation tax payable	2,645	1,833
Other taxes and social insurance contributions payable	45,462	44,356
Employee-related liabilities	32,916	28,673
Other payables	20,641	13,004
Total	618,229	548,469

All current liabilities fall due within one year. The other taxes and social security contributions consist of € 42.3 million in VAT payable (2022: € 41.4 million). For an explanation of work in progress, see note 5.

12 Financiële instrumenten

General

As part of its ordinary activities, Dura Vermeer makes use of a range of financial instruments that expose the company to market, interest rate, cash flow, credit and liquidity risk. These are financial instruments that are recognised in the balance sheet. To manage these risks, Dura Vermeer has drawn up a policy including a system of limits and procedures to limit the risks of unpredictable adverse developments in the financial markets and thus the financial performance of the company. Dura Vermeer holds no derivative financial instruments such as interest rate swaps, forward exchange contracts or currency options and does not trade in these derivative instruments. If a counterparty defaults on payments due to the company, any resulting losses are limited to the market value or the carrying amount of the relevant instruments.

Credit risk

Dura Vermeer is exposed to credit risks on loans and other receivables recognised under financial fixed assets, trade and other receivables and cash and cash equivalents. The maximum credit risk the company is exposed to is nominally € 552.9 million (2022: € 487.8 million), and is composed as follows:

(Amount x € 1,000)	31-12-2023	31-12-2022
Financial assets		
Long-term loans granted	29,515	27,414
Current receivables	273,238	220,406
Cash and cash equivalents	250,160	233,403
Lease receivables	-	6,592
Total	552,913	487,815

The credit risk is spread over approximately 1,250 customers. As the receivables are not concentrated among a limited number of customers, the company's exposure to credit risk is mainly determined by the individual characteristics of each of the customers.

The Management Board has formulated a credit policy under which an individual creditworthiness assessment takes place of each new customer and periodically of existing customers before Dura Vermeer's standard payment and delivery terms and conditions are offered. This analysis includes looking at external credit ratings, when available, and in some cases also bank references. Mitigating measures are also taken such as advance payments, bank guarantees or sureties. These measures reduce the credit risk for Dura Vermeer to an acceptable level.

The company's cash and cash equivalents are held at several leading banks supervised by a central bank.

Interest rate risk and cash flow risk

Dura Vermeer is exposed to interest rate risk on interest-bearing receivables and debts. The company is exposed to a risk associated with future cash flows in respect of receivables and debts with floating interest rates and to fair value risk in respect of fixed-interest loans. The interest rate sensitivity of the floating interest rate loans is low, given the size of the interest-bearing receivables and debts. For this reason, Dura Vermeer has not concluded any derivative interest instruments.

Liquidity risk

Dura Vermeer monitors its liquidity position with weekly liquidity forecasts. The management ensures that the company at all times has sufficient liquidity to meet its payment obligations with sufficient funding under the available facilities to remain in compliance with the existing financing covenant.

At 31 December 2023, the undiscounted contractual financial liabilities and rights are as follows:

(Amount x € 1,000)	< 1 year	1 - 5 year	> 5 year	Total
Financial assets				
Long-term loans granted	407	2,000	27,108	29,515
Current receivables	273,238	-	-	273,238
Cash and cash equivalents	250,160	-	-	250,160
Lease receivables	-	-	-	-
Total	523,805	2,000	27,108	552,913
Financial liabilities				
Non-current liabilities	-	16,663	-	16,663
Current liabilities	618,229	-	-	618,229
Rental obligations	6,450	18,029	13,444	37,923
Lease obligations	17,187	28,416	-	45,603
Total	641,866	63,108	13,444	718,418
balance	-118,061	-61,108	13,664	-165,505

To cover fluctuations between its payment obligations and financial assets, Dura Vermeer has a committed overdraft facility of € 50 million with a term until 8 November 2027.

Fair value

The fair value of the financial instruments recognised in the balance sheet under cash and cash equivalents, current receivables and current liabilities approximates their carrying amount.

Market risk

Market risk is the risk that Dura Vermeer's revenue or the value of its financial instruments is adversely affected by fluctuations in market prices. This concerns the change in the market price of raw materials and consumables and outsourced work in the period between the quotation process and the execution phase. Dura Vermeer mitigates the aforementioned risk mainly by: (1) an indexation arrangement into the agreement for long-term projects and/or (2) agreeing to prices and conditions with suppliers and subcontractors at an early stage.

13 Off-balance sheet assets and liabilities

Liability and warranties

As at year-end 2023, the group had issued guarantees to clients for a maximum amount of € 209.9 million through credit institutions and mutual insurance associations (year-end 2022: € 179.8 million).

Dura Vermeer is jointly and severally liable for all liabilities of the commercial partnerships (building consortiums) in which Dura Vermeer participates. At year-end 2023, these liabilities, exclusive of bank guarantees, totalled € 180.1 million (2022: € 212.2 million). Dura Vermeer's share in this amounts to € 76.6 million (2022: € 92.0 million) and is recognised in the consolidated balance sheet.

Long-term financial receivables and liabilities

Dura Vermeer rents land and buildings. The remaining terms of the rental obligations range from 1 to 11 years.

In addition, instalments are payable by Dura Vermeer under operating leases (for motor vehicles and rolling stock). The average term of the lease contracts is 4.4 years and the average remaining term is 2.2 years. The dates on which these instalments are payable by Dura Vermeer are shown in the overview of undiscounted payment obligations (note 12).

As at year-end 2023, Dura Vermeer had obligations to purchase land of € 25.9 million (2022: nil).

Fiscal unity

Most of the consolidated equity interests are part of Dura Vermeer Groep N.V.'s fiscal unity for the purposes of corporation tax and VAT and are therefore jointly and severally liable for any tax payable by the companies in the fiscal unity. A complete list of Dura Vermeer Groep N.V.'s equity interests belonging to the fiscal unity is available for inspection at the Chamber of Commerce.

NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

14 Operating income

The operating income is generated entirely in the Netherlands. The distribution by type of activities is as follows:

(Amount x 1,000)	2023	2022
Residential construction	940,852	1,110,126
Infrastructure	874,140	708,540
Technical installation	78,438	15,061
Other	4,944	-3,791
Eliminations	-14,387	-11,636
Total	1,883,987	1,818,300

15 Wages, salaries, social insurance contributions and pension costs

The composition of wages and salaries, social insurance contributions and pension costs is as follows:

(Amount x €1,000)	2023	2022
Wages and salaries	263,310	223,487
Social charges	37,434	32,687
Pension costs	23,808	22,490
Total	324,552	278,664

During the 2023 financial year, the average number of employees was 3,073 FTEs (2022: 2,859 FTEs). All these people were employed in the Netherlands. This workforce can be broken down into various categories of personnel as follows:

	Average 2023	Average 2022
Construction site workers	682	622
Executive, technical and administrative staff	2,391	2,237
Total	3,073	2,859

16. Net interest income

The interest income of € 3.3 million mainly relates to interest received on current account balances with credit institutions. The interest expenses of €1.0 million consist mainly of commitment fees.

17. Taxes

Taxes are calculated on the accounting profit, taking into account the change in the provision for deferred tax liabilities, non-taxable or deductible amounts and other tax facilities. The applicable tax rate is 25.8%.

The tax expense breaks down as follows:

(Amount x € 1,000)	2023	2022
Tax charge fiscal unity	-13,847	-14,611
Tax charge non-fiscal unity	-4,821	-3,558
Total	-18,668	-18,169

The following numerical reconciliation between the applicable and the effective rate can be given:

(Amount x € 1,000)	2023		2022	
Result before tax	69,114		68,641	
Tax expense based on applicable tax rate in the Netherlands	-17,812	25.8%	-17,709	25.8%
Tax effect of non-deductible expenses	-856	1.2%	-459	0.7%
Tax expense	-18,668	27.0%	-18,169	26.5%

The tax expense in the profit and loss account for 2023 amounts to € 18.7 million, or 27.0% of the result before taxes (2022: 26.5%).

18. Related party transactions

Related party transactions are defined as transactions between Dura Vermeer and persons or entities that are related to the company. These include the relationships between the company and its equity interests, shareholders, directors and key management personnel. Transactions are defined as a transfer of resources, services or obligations, regardless of whether an amount has been charged.

As part of its ordinary operating activities, Dura Vermeer buys and sells goods and services of and to various related parties in which the company holds an interest. These transactions take place at arm's length, on terms similar to those applying to transactions with unrelated parties.

19. Auditor's fees

The following fees of KPMG Accountants N.V. were charged to the company, its subsidiaries and other companies it consolidates, all this as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code.

(Amount x € 1,000)	KPMG		Total KPMG
	Accountants N.V.	Other KPMG network	
	2023	2023	2023
Audit of the financial statements	945	-	945
Other audit engagements	21	-	21
Taks advisory services	-	192	192
Other non-audit engagements	85	-	85
Total	1,051	192	1,243
	2022	2022	2022
Audit of the financial statements	815	-	815
Other audit engagements	10	-	10
Taks advisory services	-	388	388
Other non-audit engagements	105	-	105
Total	930	388	1,318

The audit fees reported in the table refer to the total fees for the audit of the financial statements, regardless of whether the work had already been performed during the financial year.

20. Subsequent events

On 3 January 2024, Dura Vermeer acquired 100% of the shares and voting rights Boersema Installatie Adviseurs so as to strengthen its Technical installation Division. Boersema Installatie Adviseurs has revenues of around € 1.5 million, a balance sheet total of € 1.0 million, a net profit of € 0.2 million and some 13 employees. Boersema Installation Consultants specialises in comprehensive design and independent advice aimed at a safe and comfortable living and working environment in newly designed or existing buildings. Boersema Installatie Adviseurs will be accounted for following the purchase accounting method.

COMPANY BALANCE SHEET

(Before profit appropriation, amounts x € 1,000)	Note	31-12-2023		31-12-2022	
Assets					
Fixed assets					
Intangible fixed assets	21	5,813	-	-	-
Tangible fixed assets	22	1,892	-	3,563	-
Financial fixed assets	23	266,142	-	231,161	-
			273,847		234,724
Current assets					
Receivables	24	69,494	-	89,702	-
Cash and cash equivalents	25	51,000	-	39,083	-
			120,494		128,785
Total assets			394,341		363,509
Liabilities					
Equity					
Issued capital	26	1,923		1,923	
Share premium	26	32,178		32,178	
Statutory reserve	26	35,573		40,911	
Other reserves	26	173,489		137,925	
Unappropriated profit	26	51,435		50,226	
			294,598		263,163
Provisions	27		6,989		3,249
Current liabilities	28		92,754		97,097
Total liabilities			394,341		363,509

COMPANY PROFIT AND LOSS ACCOUNT

(Amounts x € 1,000)	Note	2023	2022
Company profit (loss) excluding profit (loss) from participating interests		-9,957	-6,452
Profit (loss) from participating interests		61,392	56,678
Profit (loss) after taxes		51,435	50,226

ACCOUNTING POLICIES FOR THE COMPANY FINANCIAL STATEMENTS

General

The company financial statements are part of Dura Vermeer's 2023 financial statements. Dura Vermeer's financial information is included in the consolidated financial statements of Dura Vermeer.

To the extent items from the company balance sheet and company profit and loss account are not explained in more detail below, reference is made to the notes to the consolidated balance sheet and profit and loss account.

Principles for the valuation of assets and liabilities and the result determination

The principles for the valuation of assets and liabilities and the determination of results are the same as those for the consolidated balance sheet and profit and loss account, with the exception of the principles mentioned below.

Financial instruments

In the company financial statements, financial instruments are presented on the basis of their legal form.

Equity interests in group companies

In the company balance sheet, equity interests in group companies are measured according to the equity method based on their net asset value. For further details, see the accounting policies for financial fixed assets in the notes to the consolidated financial statements.

Profit (loss) from equity interests

The profit (loss) from equity interests comprises Dura Vermeer's share of the profits (losses) of entities in which it has an equity interest. Gains and losses on transactions that involved a transfer of assets and liabilities between Dura Vermeer and its equity interests, or between its equity interests, are eliminated to the extent they can be deemed unrealised.

Taxes

The company is the head of the fiscal unity. The corporation tax is included for the part that would be owed by the company if it were independently liable for tax, taking into account the allocation of the benefits of the fiscal unity.

Settlement within the fiscal unity between Dura Vermeer and its subsidiaries takes place via the current account relationships.

NOTES TO THE COMPANY BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

NOTES

21. Intangible fixed assets

(Amount x € 1,000)	Software development costs
Acquisition value	-
cumulative amortisation	-
Carrying amount 1 January 2023	-
Changes in carrying amount:	
Reclassification (acquisition value)	10,196
Reclassification (cumulative depreciation)	-5,468
Investments	2,025
Depreciation	-940
Total changes 2023	5,813
Acquisition value	12,221
Cumulative amortisation	-6,408
Carrying amount 31 December 2023	5,813

The reclassification relates to capitalised development costs which will be classified under intangible fixed assets as of the 2023 financial year.

22. Tangible fixed assets

(Amounts x €1,000)	Other fixed operating assets
Acquisition value	34,999
Cumulative depreciation	-31,436
Carrying amount 1 January 2023	3,563
Changes in carrying amount:	
Investments	1,703
Disposals (acquisition value)	-8,555
Disposals (cumulative depreciation)	8,550
Reclassification (acquisition value)	-8,026
Reclassification (cumulative depreciation)	5,468
Depreciation	-811
Total changes 2023	-1,671
Acquisition value	20,121
Cumulative amortisation	-18,229
Carrying amount 31 december 2023	1,892

The reclassification relates to capitalised development costs which will be classified under intangible fixed assets as of the 2023 financial year.

23. Financial fixed assets

(Amount x € 1,000)	Equity interests	Receivables from equity interests	Deferred tax assets	Total
Carrying amount 1 January 2023	223,525	7,504	132	-
Share in results	61,343	-	-	-
Dividends received	-46,900	-	-	-
Investments	18,000	-	-	-
Repayments	-	-1,412	-	-
New loans	-	800	-	-
Amounts used	-	-	-88	-
Reclassification to provisions	3,238	-	-	-
Carrying amount 31 December 2023	259,206	6,892	44	-

In accordance with statutory provisions, a list of the consolidated and non-consolidated equity interests and building consortiums and other partnerships has been filed with the Chamber of Commerce for inspection. This list also shows for which companies a statement of joint and several liability has been issued in accordance with Section 2:403 of the Netherlands Civil Code. The reclassification relates to the equity interests with negative equity for which the company is the guarantor.

24. Receivables

(Amount x € 1,000)	31-12-2023	31-12-2022
Trade receivables	322	227
Receivables from group companies	60,216	79,520
Taxes and social insurance contributions receivable	5,462	3,859
Prepaid expenses	2,876	2,705
Other receivables	618	3,391
Total	69,494	89,702

All items under receivables, prepayments and accrued income fall due within one year.

25. Cash and cash equivalents

The cash and cash equivalents consist solely of bank balances and are at the disposal of the company.

26. Equity

(Amount x € 1,000)	Issued capital	Share premium	Statutory reserve	OtherUnappropriated reserves	result	Total
Carrying amount						
1 January 2022	1,923	32,178	37,191	115,474	36,371	223,137
Profit (loss)	-	-	-	-	50,226	50,226
Dividend paid	-	-	-	-	-10,200	-10,200
Profit appropriation	-	-	-	26,171	-26,171	-
Addition to statutory reserve	-	-	3,720	-3,720	-	-
Total changes 2022	-	-	3,720	22,451	13,855	40,026
Carrying amount						
31 december 2023	1,923	32,178	40,911	137,925	50,226	263,163
Carrying amount						
1 January 2023	1,923	32,178	40,911	137,925	50,226	263,163
Profit (loss)	-	-	-	-	51,435	51,435
Dividend paid	-	-	-	-	-20,000	-20,000
Profit appropriation	-	-	-	30,226	-30,226	-
Addition to statutory reserve	-	-	-5,338	5,338	-	-
Total changes 2022	-	-	-5,338	35,564	1,209	31,435
Carrying amount						
31 december 2023	1,923	32,178	35,573	173,489	51,435	294,598

Issued capital

The authorised capital amounts to € 9.0 million (2022: € 9.0 million), divided into 1.8 million ordinary shares of € 5 each. 384,517 of these shares have been issued. As at year-end 2023, a total of 64,599 shares had been repurchased.

Share premium

The share premium reserve includes the proceeds from the issue of shares insofar as these exceed the nominal amount of the shares. The full balance of the share premium reserve qualifies as paid-up capital for tax purposes.

Statutory reserve

The statutory reserve consists of a statutory reserve for equity interests and a statutory reserve for capitalised development costs.

The statutory reserve for equity interests amounts to € 29,3 million (2022: € 40.9 million) and relates to equity interests carried at net asset value. The reserve concerns the retained earnings from equity interests which the company cannot pay out in dividends without the cooperation of third parties. The statutory reserve is determined on an individual basis. For capitalised development costs, a statutory reserve has been created equal to their book value, in the amount of € 6.3 million.

Unappropriated profit

Profit appropriation for the 2022 financial year

The 2022 financial statements were adopted in the General Meeting held on 21 March 2023. The General Meeting adopted the profit appropriation for the 2022 financial year in accordance with the board's proposal. Of the unappropriated profit of

€ 50.2 million, € 20 million was distributed as final dividend. The remaining balance, amounting to € 30.2 million, was added to the other reserves.

Profit appropriation proposal 2023

The Management Board, with the approval of the Supervisory Board, proposes to the General Meeting that the profit after tax for 2023 of € 51.4 million be appropriated as follows: that a sum of € 20.6 million be paid out as dividend and the remaining amount of € 30.8 million be added to the other reserves.

27. Provisions

(Amount x € 1,000)	Jubilee provision	Receivables from equity interests	Other provisions	Total
Carrying amount 1 January 2023	140	-	3,109	3,249
Addition	37	-	1,555	1,592
withdrawal	-4	-	-1,037	-1,041
Reclassification to financial fixed assets	-	3,238	-	3,238
share in results	-	-49	-	-49
Carrying amount 31 December 2022	173	3,189	3,627	6,989

The provisions are largely long-term.

For more information about the provisions, see the notes to the consolidated balance sheet.

28. Current liabilities

(Amount x € 1,000)	31-12-2023	31-12-2022
Debts to suppliers	123	711
Payables to group companies	63,991	72,465
Invoices to be received	4,660	4,018
Corporation tax payable	729	1,676
Other taxes and social insurance contributions payable	1,797	2,272
Employee-related liabilities	16,952	14,793
Other payables	4,502	1,161
Total	92,754	97,097

All current liabilities fall due within one year.

29. Remuneration of the managing director and the supervisory directors

Wages, salaries and social insurance costs include directors' remuneration amounting to € 11.9 million (2022: € 7.6 million).

The remuneration of the members of the Supervisory Board totalled € 260,625 in the reporting year (2022: € 259,000).

30. Off-balance sheet assets and liabilities

In addition to the off-balance sheet liabilities disclosed in the notes to the company balance sheet, the company has for most of its subsidiaries accepted joint and several liability for all their debts arising from legal acts. For more information, please refer to the list of these subsidiaries that has been filed with the Chamber of Commerce.

31. Subsequent events

For events after the balance sheet date, see note 20 in the notes to the consolidated balance sheet and profit and loss account.

Rotterdam, 5 March 2024

Management Board

J. Dura, Chairman

L.H. Barg, CFO

T. Winter, COO

Supervisory Board

B. Vree, Chairman

P.S. Overmars, Vice-chairman

I.G.C. Faber

M.E. van Lier Lels

R. Vollebregt



8

OTHER INFORMATION

OTHER INFORMATION

Profit appropriation

Provisions in the articles of association concerning profit appropriation

Under Article 42(1) of the company's articles of association, the profit is at the disposal of the General Meeting of Shareholders.

Audit opinion

Independent auditor's opinion

To: the General Meeting of Dura Vermeer Groep N.V.

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2023 of Dura Vermeer Groep N.V., based in Rotterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Dura Vermeer Groep N.V. as at 31 December 2023 and of its result for the year 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 December 2023;
- the consolidated and company profit and loss account for the year 2023; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basics of our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Dura Vermeer Groep N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In section Governance of the management report, the Management Board describes the procedures regarding the risks of fraud and non-compliance with laws and regulations.

As part of our audit, we obtained an understanding of the Company and its environment, and the Company's risk management in relation to fraud and non-compliance with laws and regulations. Our work included assessing the Company's code of conduct, whistle blower procedure, guidelines and procedures to identify signs of potential fraud and non-compliance with laws and regulations. We also made inquiries in this regard with the Management Board, those charged with governance and other relevant departments, such as Legal Affairs, and read minutes of meetings of the Management Board and Supervisory Board. We have also incorporated elements of unpredictability in our audit

In addition, we performed procedures to obtain an understanding of the laws and regulations applicable to the Company and identified the following areas of law that could most likely cause a material effect on the financial statements:

- legislation concerning tenders (in connection with the nature of the Company as a project organisation).

We have evaluated the risk factors for fraud and non-compliance with laws and regulations to determine whether these factors indicate a risk of material misstatement for the financial statements.

In accordance with the above and with auditing standards, we have identified the following risks with respect to fraud relevant to our audit, including the risks set out in the auditing standards that were presumed relevant, and have addressed them as follows:

Management override of controls (a standard presumed inherent risk)

Risk:

Management is in a unique position to perpetrate fraud in financial accounting and reporting by overriding internal controls that otherwise appear to operate effectively.

Audit approach:

- We evaluated the design and implementation of internal controls relevant to mitigating the risks of fraud, including the procedures related to (manual) journal entries.
- We conducted data analyses on journal entries with an elevated risk related to revenue recognition. Where we identified unexpected journal entries or other risks through our data analyses, we performed additional audit work including tracing transactions back to source information.
- We evaluated significant estimates as well as judgements and assumptions of management, including performing a retrospective review of the judgements made in the prior year financial statements.

Revenue recognition on projects in progress (a standard presumed inherent risk)

Risk:

In a project organisation like Dura Vermeer, making estimates on the progress and results of projects in progress is a standard part of revenue and result recognition. We identified the risk of incorrectly estimating the result on work in progress. The degree of risk of a materially incorrect result estimate, depends on the size and complexity of projects. In the financial statements, this risk relates to the completeness of projects in progress in the balance sheet and the completeness of revenue and result recognition in the profit and loss account.

Audit approach:

We evaluated the design and implementation of internal controls.

For all projects, we tested the costs incurred, invoiced instalments, trade debtors and revenue of completed projects by means of total reconciliations and statistical samples.

For the valuation and revenue recognition of projects in progress, we use a risk-based approach in which projects are selected for further testing based on size and risk profile. We also used data analyses to select projects based on quantitative and qualitative characteristics. For the selected projects in progress, depending on the reason for selection, we performed a selection of the following work:

- discussions with project board, project managers and controllers on the estimation elements in the projects;
- assessment and reconciliations with underlying documentation, such as contracts, change orders, calculations, quotations to test the assumptions made in determining the forecasted project result;
- analysing the forecasted project result, both individually and across multiple projects, to confirm consistency of valuations and to identify tendencies;
- retrospective review of project results estimated in the previous year;
- data analyses on projects as the final element of our risk-based approach.

We communicated our risk assessment and audit approach and results to the Management Board and the Supervisory Board.

Our audit procedures did not reveal any indications and/or other reasonable suspicions of fraud and non-compliance with laws and regulations that are of material importance to our audit.

Audit response to going concern

The Management Board conducted a going concern assessment and did not identify any going concern risks. Our procedures to assess the Management Board's going concern assessment include:

- considering whether the going concern assessment performed by the Management Board contains all relevant information known to us as a result of the audit;
- analysis of market developments, the financial position at the end of the financial year and compared to the previous financial year, and taking note of the budgeted operating results and related cash flows for the new financial year on indicators that may indicate going concern risks;
- inspection of the financing agreement on conditions that may lead to going concern risks, including maturity and any covenants.

The results of our procedures did not trigger additional test work on the going concern assessment.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Managing Board is responsible for the preparation of the other information, including the management report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Managing Board and the Supervisory Board for the financial statements

The Managing Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Managing Board is responsible for such internal control as the Managing Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Managing Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Managing Board should prepare the financial statements using the going concern basis of accounting unless the Managing Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The

Managing Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company ceasing to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 5 March 2024

KPMG Accountants N.V.

M.J.G. Matze RA



ABOUT THIS REPORT

ABOUT THIS REPORT

Scope en period

This is an integrated report on the financial and CSR performance of Dura Vermeer Groep N.V. for the reporting year beginning 1 January 2023 and ending 31 December 2023. The scope of non-financial information is virtually identical to that of financial reporting. For some CSR KPIs, our associates ASSET Rail, A. De Reus, Nexton and BR Control are not yet included; this is explained where applicable. The supply and delivery chain is not yet included in the materiality analysis, policies, action plans, targets and standards. This is scheduled for 2024.

Selection of topics

To determine what information to include in this report, we reassessed the strategic topics we reported on in the 2022 Annual Report. We considered whether all strategic topics still applied and whether there were any topics we should add. We also looked at the sustainability issues that Dura

Vermeer can influence and also at those issues that, in the short term (1 year) or the long term (>5 years), may impact our financial position. We identified new topics on the basis of a media analysis, a peer analysis, analysis of industry-specific standards and existing information on relevant topics for stakeholders. Divisional directors (including those responsible for sustainability) and the finance director were involved in the ranking of these topics. The table on this page shows the topics we report on in this publication.

Reporting policies

Dura Vermeer has started integrating disclosures as set out in the European Sustainability Reporting Standards (ESRS) in anticipation/preparation of 2025, the first year in which Dura Vermeer must comply with the Corporate Sustainability Reporting Directive (CSRD). For the preparation of our value creation model, we have taken inspiration from the IIRC's Integrated Reporting Framework. We have looked at how our material topics relate to the

MATERIAL TOPIC	LOCATION IN ANNUAL REPORT
Safe and healthy construction	Policy and results > Core Value Safety > Safe and healthy construction
Good employment practices (incl. diversity and inclusion)	Policy and results > People and organisation > Good employment practices
Strategic environmental management	Policy and results > Client, market and society > Strategic environmental management
Healthy and safe living environment	Policy and results > Client, market and society > Healthy and safe living environment
Affordable housing	Policy and results > Client, market and society > Affordable housing
Client satisfaction	Policy and results > Client, market and society > Client satisfaction
Operational excellence	Policy and results > Financial result > Operational excellence
Net Zero	Policy and results > Innovation ambition Sustainability > Towards Net Zero
Circular construction	Policy and results > Innovation ambition Sustainability > Towards Net Zero
Climate-adaptive and nature-inclusive construction	Policy and results > Innovation ambition Sustainability > Greener and Healthier
Digitalisation	Policy and results > Innovation ambition Digitalisation
Innovation	Policy and results > Innovation ambition Innovation
Partners/chain cooperation	Policy and results - all chapters

United Nations Sustainable Development Goals. The SDGs to which we actively contribute are included in our value creation model. In addition, in the SDG table (page 168) we provide insight into the sub-targets we focus on and how we contribute to them.

Quality assurance

The CSR KPIs have been audited by LRQA. LRQA has verified the CSR KPIs with limited assurance on the sustainability data in the report. The scope of the verification concerns the KPIs as included in the 'Overview of KPIs' in this chapter. Based on expert judgement, LRQA has determined that there are no material misstatements in this information. LRQA's full statement is available on Dura Vermeer website.

Certifications

Dura Vermeer has various certifications, including:

- ISO 9001 (quality)
- ISO 14001 (environment)
- ISO 27001 (information security)
- Safety Culture Ladder (see page 41)
- Top Employer (see page 50)
- CO₂-Performance ladder (see page 79)

The ISO standards set out the requirements for a management system. Periodically, we check through internal inspections compliance with the ISO standard, and an annual ISO management review report is prepared on compliance and progress. In 2023, we were again certified for ISO 9001, ISO 14001 and ISO 27001.

KPIs

OVERVIEW OF KPIs

Strategic priority	KPI	2023	OBJECTIVE 2023	2022
PEOPLE AND ORGANISATION: SAFE AND HEALTHY CONSTRUCTION	Number of fatal accidents*	0	0	0
	Incidents with serious consequences*	0	0	1
	IF VCA (own + hired)*	1.36	< 1.0	1.83
	Average absence days IF VCA incidents*	12.3	< 10	21.3
	Tread on the Safety Culture Ladder of Construction and Property Division and Infra Division	Tread 4	Tread 4 maintained	Tread 4
PEOPLE AND ORGANISATION: GOOD EMPLOYMENT PRACTICES	Absenteeism (% rolling 12 months)	4.2%	< 4.0 %	4.2%
	Male-Female diversity	24.1%	> 24.0 %	23.4%
	Employee satisfaction	7.0	>= 8	8,0
	Training and education costs (EUR/wage bill)	1.36%	> 1.5%	1.65%
	Number of reports of failure to act with integrity	4	n/a	2
CLIENT, MARKET AND SOCIETY	Hit rate	38%	> 33.0 %	50.1%
	Order intake margin	3.5%	4.0%	4.2%
	Net Promoter Score (European/B2B) Construction and Property	70	> 75	96
	Net Promoter Score (European/B2B) Infra	76	> 75	80
SUSTAINABILITY	Reduction in absolute CO ₂ emissions (scope 1, 2 and 3)	5.6%	3.0%	n/a
	% of electric vehicles in our total yellow license plate fleet	37.9%	35.0%	26.7%
	MPG Residential Construction (own development) Construction and Property Division	0.64	0.5	0.65

* The scope of all safety indicators includes both Dura Vermeer permanent employees and temporary workers such as agency staff, secondees and self-employed workers working under the authority of Dura Vermeer. Workers employed by or hired by Dura Vermeer contractors are outside the scope of these indicators.

KPI definitions

Number of fatal accidents

A sudden unwanted event during working hours on a (combination) project, office, site or in traffic (excluding commutes) resulting in a fatality.

Incidents with serious consequences

An incident with serious consequences involves a workplace or industrial accident resulting in permanent injury and/or hospitalisation.

IF VCA (own + hired)

Number of industrial accidents involving own/hired staff leading to more than 1 absence day per million hours worked excluding the day of the accident.

Average absence days IF VCA incidents

The average number of absence days arising from recorded IF VCA incidents.

Tread on the Safety Culture Ladder

The Safety Culture Ladder is an assessment method for measuring safety awareness and intentional safe actions (culture & behaviour) in companies. The emphasis here is on safety culture.

Absenteeism

The sickness absence rate is calculated by dividing the number of days of absence of Dura Vermeer staff, with attendance and part-time percentage processed, by the full number of calendar days within the selected month. Absence due to pregnancy or childbirth is not counted as sick leave. The calculation includes the days of absence of both permanent and temporary Dura Vermeer staff.

Employee satisfaction

Weighted average of the results of the annual employee satisfaction survey using the Schouten & Nelissen web application, based on the question of a rating for personal satisfaction with the work situation at Dura Vermeer. All Dura Vermeer staff on permanent and temporary contracts are asked to give a rating.

Male-Female diversity

The percentage of women in an office position (UTA or executive technical/administrative) compared to the total number of employees in an office position on permanent and temporary contracts, as at the end of the financial year. In other words, construction site workers are outside the scope of this KPI.

Training and education costs

Total external costs booked and invoiced and spent on external training. This total cost is calculated based on the total wage bill. This yields the percentage of training investment for construction site and UTA employees salaried by Dura Vermeer.

Client satisfaction

Customer satisfaction with Dura Vermeer is measured using the Net Promoter (NPS) Score. Clients and customers answer the question: on a scale of 0 to 10, how likely are you to recommend Dura Vermeer to your relations? For the NPS measurement, the EU variant is used. This means that in the calculation of the score, respondents stating 8, 9 and 10 are considered Promoters and 6 and 7 as Neutrals (6 is a pass).

% electric lease cars

The percentage of electric leased vehicles at year-end, calculated as the number of electric (leased) vehicles in the Dura Vermeer fleet on the road (with yellow number plates) in relation to the total fleet of leased vehicles on the road (with yellow number plates).

MPG Residential Construction

The MPG [MilieuPrestatie Gebouwen] is a measure of the environmental impact of the materials used in a building. The lower the MPG, the more sustainable the use of materials. We calculate the average MPG of residential construction projects.

Scope 1 emissions

Scope 1 emissions (direct emissions) are emissions from facilities owned or controlled by Dura Vermeer, such as emissions from its own gas use (in e.g. gas boilers, combined heat and power plants and furnaces) and emissions from its own vehicle fleet.

Scope 2 emissions

Scope 2 emissions (indirect emissions) are emissions that arise from the generation of purchased electricity, heat and cooling and steam at facilities not belonging to Dura Vermeer, but used by Dura Vermeer, such as emissions from electricity generated in power plants.

Scope 3 emissions

Scope 3 emissions (indirect emissions) are emissions that occur in our value chain, including both upstream and downstream emissions, such as those released in the production of purchased goods, third-party transportation of products and services, and processing of waste generated by the company's operations.

FIVE-YEAR OVERVIEW AND KEY FIGURES

(Amount x € 1,000)	2023	2022	2021	2020	2019
OPERATING INCOME AND SCHEDULED WORK					
Operating income	1,884	1,818	1,611	1,437	1,504
Scheduled work *	4,269	3,445	2,835	2,527	2,686
EARNINGS AND ASSETS					
Operating result before depreciation (EBITDA)	87.2	85.2	79.1	63.8	56.7
Operating profit including result from equity interests before depreciation	90.6	88.0	85.0	68.4	59.3
Operating profit (EBIT)	66.8	70.8	64.1	51.0	45.0
Operating result including result from equity interests	70.2	73.2	70.0	55.6	47.7
Net profit (loss)	51.4	50.2	52.4	41.5	36.1
Depreciation on fixed assets	20.4	14.3	15.0	12.8	11.7
Net financing position **	247.8	229.8	283.0	261.0	108.4
Equity	300.2	266.7	223.1	203.4	177.9
Total assets	983.5	865.8	793.7	615.7	513.8
RATIOS					
Net return ***	2.7%	2.8%	3.3%	2.9%	2.4%
Net result as a percentage of average equity	18.1%	20.5%	24.6%	21.8%	22.0%
Current ratio	1.27	1.27	1.23	1.31	1.29
Solvency ****	30.5%	30.8%	28.1%	33.0%	34.6%
NUMBER OF EMPLOYEES					
Average number of employees in FTEs	3,073	2,859	2,696	2,588	2,511

* Scheduled work is the sum of (1) the unfinished part of the contract values of the projects, which were still in progress as at the balance sheet date, plus (2) new projects of which the implementation is largely certain.

** The net financing position is the sum of cash at bank and in hand, less interest-bearing debt.

*** The net return is the net result as a percentage of the operating income.

**** Solvency is calculated by dividing the equity by the total assets (= equity, short-term loan capital and long-term loan capital), multiplied by 100 per cent.

OTHER INFORMATION - ENVIRONMENTAL PERFORMANCE

		2023	2022
GREENHOUSE GAS EMISSIONS (TONNES CO₂-EQ)			
Scope 1 emissions: Direct emissions		28,244	25,060
Scope 2 emissions: Indirect emissions, energy	Location-based	5,651	6,994
	Market-based	1,210	1,443
Total Scope 1 emissions and Scope 2 emissions	Location-based	33,895	32,054
	Market-based	29,454	26,503
Scope 3 - emissions: Indirect emissions, value chain	Purchased goods and services	310,853	303,160
	Capital goods	3,976	3,922
	Upstream transport and distribution	19,887	17,446
	Processing of production waste	6,072	7,292
	Business traffic	171	162
	Use of sold products	154,628	197,781
	End-of-life processing of sold products	14,724	15,725
	Total scope 3 emissions		510,311
Total greenhouse gas emissions	Location-based	544,226	577,542
	Market-based	539,765	571,991
GREENHOUSE GAS INTENSITY*			
	Location-based	290	533
	Market-based	288	528
ENERGY CONSUMPTION (KWH)			
Energy consumption from renewable sources		14,072,121	12,999,890
Energy consumption from self-generated renewable sources		220,942	242,000
Share of renewable sources in total energy consumption (%)		80%	80%
Energy consumption from renewable sources **		3,590,593	3,302,270
Total energy consumption		17,883,656	16,544,161

		2023	2022
ENERGY INTENSITY ***			
		9,094	15,726
WASTE (X 1,000 KG)			
Total weight of waste	Total	18,756	23,077
	Asphalt	45	26
	Concrete	316	425
	Wood	1,494	2,004
	Plastics	55	90
	Metals	11	28
	Rubble	15,934	19,709
	Residual waste	651	583
	Other	250	211
Waste diverted from processing	For reuse	-	-
	Recycling (raw material)	9,529	13,290
	Other (green energy from waste)	4,358	5,440
Waste processed	Incineration (grey energy)	1,628	1,916
	Landfill - Waste	282	316

* GHG intensity is calculated by dividing total GHG emissions (tonnes CO₂-eq) by net turnover (€ million).

** For energy consumption from unknown sources, the energy mix of the Netherlands in 2022 must be taken as a reference. For more information on its composition, see Mosaic - Electricity (dashboardklimaatbeleid.nl)

*** Energy intensity is calculated by dividing total energy consumption (kWh) by net turnover (€ million).

OVERVIEW OF RISKS AND CONTROL MEASURES

STRATEGIC

Risk	RISK APPETITE	PROBABILITY	IMPACT KEY	CONTROL MEASURES
Changes in economic and market conditions.				<ul style="list-style-type: none"> Balanced portfolio with spread of activities across market sectors and clients. Monitoring and timely anticipation of market developments. Maintain room in financing facilities. Periodic review of long-term strategy.
Reputation and image damage.				<ul style="list-style-type: none"> Dura Vermeer is a family business that values social responsibility and integrity. A broad set of corporate guidelines and a code of conduct have been established. Crisis management (external advice on public opinion).
Insufficient attention and response to sustainability developments.				<ul style="list-style-type: none"> Sustainability policy based on three pillars (zero emissions, circular building and greener and healthier). Commitment to using clean, green energy to achieve ambition of reducing emissions to zero. Ultimately, we strive for a way of working in which materials can remain within the cycle without any loss of value. Cooperation with Nyenrode on making the construction sector sustainable. Introduction of nature ladder to make impact on living environment measurable and controllable.
Suboptimal use of digitalisation.				<ul style="list-style-type: none"> Preparation of a strategy document for primary business and staff departments. Maintain sufficient contact with ICT market leaders. Alignment/policy on supply and demand of hardware and software.
Insufficient innovative capacity.				<ul style="list-style-type: none"> Promoting the development of innovative products and concepts. A separate operating company has been set up for this, we have an innovation network of internal ambassadors who drive innovations and link them to our projects, the innovation prize is awarded every two years and we focus on promoting innovative behaviour among our chain partners.
Scarcity of staff.				<ul style="list-style-type: none"> Launch of new labour market campaign. The 'via via' programme, in which employees are asked to encourage people from their own network to apply for vacancies at Dura Vermeer. Supervision, training and development of employees by means of a management and talent development programme and other means. Participation in Top Employers. This allows us to benchmark our HR practice and improve it where necessary. Expansion and further professionalisation of recruitment, including more focus on campus recruitment (recruiting students for internships and traineeships).
Scarcity of materials and services.				<ul style="list-style-type: none"> Determine impact of price increases contractually in advance. Factor price risk into bids. Early involvement and contracting of suppliers, consultants and subcontractors. Stock up on critical parts/materials in a timely manner. There is a procurement plan.

OPERATIONAL

Risk	RISK APPETITE	PROBABILITY	IMPACT KEY	CONTROL MEASURES
Inadequate control of complex projects.				<p>Tender management</p> <ul style="list-style-type: none"> Using the tender phase document or investment application which - depending on its nature, size and risk profile - is submitted to the chairmen's meeting, Management Board and/or Supervisory Board for approval. Part of the tender phase document is a matrix listing the risks present in the project and measures to be taken to manage them. Only projects are taken on that fit within Dura Vermeer's risk appetite. Spreading of risks by entering into partnerships. <p>Project management</p> <ul style="list-style-type: none"> Apply standard procedures to the selection and assessment of partners in the implementation of the project and risk-bearing partners. Further detailing of the project in tender and working budgets based on detailed calculations. Compile project team that includes all the necessary disciplines and fields of expertise. Quality system and guidelines, work instructions, procedures and checklists including in the system. Monitor enforcement of procedures and instructions. ISO 9001 and VCA certification. <p>Contract management</p> <ul style="list-style-type: none"> Secure contract and risk management in both tender, preparation and implementation phases. Use two-phase contracts wherever possible. <p>Disputes and proceedings</p> <ul style="list-style-type: none"> When taking on projects, take stock of contractual and legal risks. Take out insurance, including CAR insurance.
Safety is not adequately guaranteed.				<ul style="list-style-type: none"> Dura Vermeer is co-initiator of the Governance Code Safety in Construction which aims to enhance safety across the construction industry. Safety programme (including control through IF rate) with the aim of raising safety awareness among all parties involved in the construction process. In terms of occupational safety, Dura Vermeer must at least comply with laws and regulations and standard certificates. Promote and assess safety culture on projects.
Increase risk profile of land positions.				<ul style="list-style-type: none"> Only take on positions with short time horizon. Use of position must be certain before it is acquired. Acquisition of positions should be approved (depending on size) by divisional management, MB and/or SB. Monitor positions. Conservative valuation of land positions.
Cybersecurity incidents due to: <ul style="list-style-type: none"> Phishing. Ransomware. Business e-mail compromise. 				<ul style="list-style-type: none"> All IT is centrally organised. The IT management environment is ISO27001 certified. General IT Controls are guaranteed through access security, network security, end point security, application security and continuity measures. A Chief Information Security Officer has been appointed.
Systems failure putting Business Continuity at risk.				<ul style="list-style-type: none"> Increasing use of Cloud applications. For applications not yet placed in the Cloud, the following management measures are in place: Making backups of all systems. Backups are stored physically separate from Dura Vermeer's network. Data centre backup. Annual operationalisation test of the backup location. A disaster recovery plan is in place. Geographic redundancy of internet connections, WiFi, data lines and firewalls.


FINANCIAL

Risk	RISK APPETITE	PROBABILITY	IMPACT KEY	CONTROL MEASURES
Partners lack creditworthiness.				<ul style="list-style-type: none"> Apply standard procedures to the selection and assessment of partners in the implementation of the project and risk-bearing partners. Work with established partners where possible. If deemed necessary, risks are hedged through credit insurance, bank guarantees and/or prepayments. Monitor creditworthiness.
Clients lack creditworthiness.				<ul style="list-style-type: none"> Pre-check creditworthiness of clients. If deemed necessary, risks are hedged through credit insurance, bank guarantees and/or prepayments.
Contractors and suppliers lack creditworthiness.				<ul style="list-style-type: none"> Risk assessment (in advance) of contractors and suppliers. If the risk profile is deemed too high, payment guarantees are negotiated (e.g. bank guarantees).
Insufficient liquidity available.				<ul style="list-style-type: none"> Tight control on short-term and long-term liquidity forecasts. Investment requests are assessed for liquidity needs. Prepare what-if scenarios.
Insufficient solvency.				<ul style="list-style-type: none"> Return requirements of organisation as a whole. Investment requests are assessed for liquidity demands. Projects with different than usual financing requirements are submitted to the Management Board for approval. Prepare what-if scenarios. Conservative dividend policy.
Not enough bank guarantees available.				<ul style="list-style-type: none"> Multiple bank guarantee facilities are available. Tight monitoring of headroom on guarantee facilities. For the sake of continuity of the available bank guarantee facilities, guarantee providers are periodically informed about the financial position.




COMPLIANCE/INTEGRITY

Risk	RISK APPETITE	PROBABILITY	IMPACT KEY	CONTROL MEASURES
Failure to comply with internal rules of conduct or laws and regulations.				<ul style="list-style-type: none"> A broad set of corporate guidelines has been established, part of which is a power of attorney and authorities matrix. Dura Vermeer is committed to several industry-related codes of conduct. A Compliance Officer has been appointed. An integrity game was developed and rolled out across Dura Vermeer. A covenant has been concluded with the tax authorities under Horizontal Monitoring. Prevailing collective labour agreements will be followed. Directors under the articles of association issue annual compliance confirmations.
Failure to comply with the GDPR.				<ul style="list-style-type: none"> There is a privacy policy in place. A data breach notification protocol is in place. There are privacy statements and a processing register, and processor agreements have been concluded. A Privacy Officer has been appointed. New employees are required to take an e-learning course.
Unethical contractors (money laundering/ financing of terrorism).				<ul style="list-style-type: none"> Before contracts are concluded, an external screening of new partners is carried out.
Human rights violations.				<ul style="list-style-type: none"> The code of conduct for contractors includes provisions on respecting the protection of internationally proclaimed human rights. All procurement contracts refer to the code of conduct.

SUSTAINABLE DEVELOPMENT GOALS

SDG	SUB-TARGET	DESCRIPTION	DURA VERMEER'S CONTRIBUTION
	7.2	Significantly increase the share of renewable energy in the global energy mix by 2030	<p>We contribute to increasing the share of renewable energy by:</p> <ul style="list-style-type: none"> ■ electrification of equipment and leased car fleet; ■ procurement of renewable energy for offices and projects; ■ energy-neutral buildings.
	7.3	Double the global rate of improvement in energy efficiency by 2030	<p>We contribute to increasing energy efficiency by:</p> <ul style="list-style-type: none"> ■ zero-energy construction ■ optimising construction logistics.
	8.2	Achieve greater economic productivity through diversification, technological modernisation and innovation, including by focusing on high value-added and labour-intensive industries	<p>We contribute to greater economic productivity by rolling out digitisation and innovation in the construction sector by:</p> <ul style="list-style-type: none"> ■ developing digital solutions and services in collaboration with innovative partners; ■ bringing digitisation into the construction process; ■ collaborating with employees, suppliers, contractors and partners to accelerate innovations; ■ participating in an ecosystem of innovative players and start-ups. In 2023, we mainly searched for start-ups and scale-ups in the fields of circular, zero-emission and climate-adaptive and nature-inclusive construction.
	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, as well as equal pay for work of equal value	<p>We contribute to decent work for all women and men, including young people and people with disabilities, across our business by:</p> <ul style="list-style-type: none"> ■ creating opportunities for people at a distance from the labour market by offering them a workplace, training and/or work experience with support from Dura Vermeer's Social Return Office (SROI). In 2023, 206 social return candidates were registered by Dura Vermeer; ■ realise social procurement from companies certified on the Prestatieladder Sociaal Ondernemen. In 2023, € 9 million was spent on this; ■ participation in the M/F Diversity Monitor. We reached 23.5% women in management in 2023, exceeding our target of 18%; ■ introduction of the Diversity, Equality and Inclusion policy.
	8.8	Protect labour rights and promote safe and healthy working environments for all workers, including migrant workers, especially female migrants, and those in precarious working conditions	<p>We contribute to promoting a safe and healthy working environment for our employees by:</p> <ul style="list-style-type: none"> ■ organisation-wide support for the physical and mental health of our employees with our vitality programme #DV4FIT; ■ always performing a Waadi check on partners and working with companies that are certified according to the Stichting Normering Arbeid (SNA); ■ signing the Structurally Safer manifesto; ■ implementing our SAVE (SAMen VEilig in de hele keten) safety programme, through which we aim to create a lasting safety culture and increase the safety awareness of our employees and our partners.

SDG	SUB-TARGET	DESCRIPTION	DURA VERMEER'S CONTRIBUTION
	9.1	Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	<p>We contribute to developing quality, reliable, sustainable and resilient infrastructure by:</p> <ul style="list-style-type: none"> ■ keeping our long-term focus on mobility, connection and being able to live and work in a safe and healthy environment; ■ building zero-energy houses.
	9.4	By 2030, upgrade infrastructure and adapt industries to make them sustainable, with focus on increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, whereby all countries take action in accordance with their respective capabilities	<p>We contribute to modernising infrastructure by:</p> <ul style="list-style-type: none"> ■ striking an optimal balance between materials, energy efficiency and utility and experiential value when developing infrastructure. We mainly work for public clients, and our design solutions have a major impact on the environment. With a comprehensive design for a dyke reinforcement, for example, we increase water safety but can also improve the living environment for local residents, strengthen biodiversity and incorporate climate adaptation.
	11.1	By 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums	<p>We contribute to improving access to adequate, safe and affordable housing for everyone in the Netherlands by:</p> <ul style="list-style-type: none"> ■ build energy-efficient homes and make existing homes more sustainable, reducing costs; ■ conceptual construction, e.g. with the residential concepts PCS Pro (precast concrete construction) and Aer (industrialised wood construction, a circular and bio-based concept).
	11.2	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	<p>We contribute to safe, affordable, accessible and sustainable transport systems for all through all our activities related to rail infrastructure, a good example being the Uithoorn line.</p>
	11.3	By 2030, enhance inclusive and sustainable urbanisation and capacities for participatory, integrated and sustainable human settlement planning and management in all countries	<p>We contribute to inclusive and sustainable urban development by:</p> <ul style="list-style-type: none"> ■ applying our integrated development vision Good Neighbour(hood). We analyse data from a multitude of topics (such as mobility, social cohesion, environment, biodiversity, amenities and more) which, combined with qualitative neighbourhood research, forms the starting point for the development vision and strategy for an area.
	11.7	By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities	<p>We contribute to safe, inclusive and accessible green and public spaces. Who our target groups are, what they need, the identity of the neighbourhood and how we ensure connection between people are key questions to determine the principles for creating a healthy and safe living environment in our projects. Lessons learned and how we implement them have been translated into our comprehensive development vision Goede Buurt(t) [Good Neighbour(hood)]. We analyse data on a multitude of subjects, such as mobility, social cohesion, the surroundings, biodiversity, connection, spatial quality, climate adaptation, behaviour and amenities.</p>

SDG	SUB-TARGET	DESCRIPTION	DURA VERMEER'S CONTRIBUTION
	12.2	By 2030, achieve sustainable management and efficient use of natural resources	<p>We contribute to sustainable management and efficient use of natural resources by:</p> <ul style="list-style-type: none"> ■ keeping our Environmental Performance of Buildings (MPG) low. At 0.64, our MPG is well below the legally required 0.8, but our target is to achieve below or equal to 0.5; ■ signing the Building Balance declaration of intent to scale up the use of bio-based sheet material; ■ signing the Circular Construction: The New Normal manifesto to make circular ambitions for projects concrete, asking for performance figures in projects based on indicators and ultimately evaluating the project; ■ exploring and using sustainable materials wherever possible, such as sustainable alternatives to concrete, wood and recycled asphalt.
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	<p>We contribute to increasing energy efficiency by:</p> <ul style="list-style-type: none"> ■ starting the construction process from the Net Zero idea by starting from circular principles in the design. For instance, we design with secondary and bio-based materials, reusing raw materials or giving them a new use; ■ deploying a circular construction hub where used building materials and building elements are stored and processed for a new use; ■ reducing waste from offices and projects.
	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<p>We contribute to strengthening resilience and adaptive capacity to climate-related hazards and natural disasters by:</p> <ul style="list-style-type: none"> ■ reducing our greenhouse gas emissions in scope 1, 2 and 3. We have established science-based targets (SBTi) for this purpose; ■ designing and building projects in a nature-inclusive and climate-adaptive way.
	15.2	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	<p>We contribute to the sustainable management of all types of forests by:</p> <ul style="list-style-type: none"> ■ working with timber from sustainably managed forests. We require our contractors to prove the origin of timber with internationally recognised independent Chain of Custody certification. In this context, we recognise PEFC, ESC, FSC and quality marks based on equivalent principles as evidence of origin from sustainably managed forests.

STAFF OVERVIEW

	FEMAL	MAL	TOTAL
EMPLOYEES (AT YEAR-END 2023)*			
Employees	591	2,326	2,917
Permanent employees	462	2,097	2,559
Fixed-term employees	129	229	358
Employees without guaranteed hours	4	14	18
Full-time employees	277	2,066	2,343
Part-time employees	314	260	574
INTERNS AND HIRED-IN (AT YEAR-END 2023)			
Interns			72
Hired-in			855
INFLOW AND OUTFLOW (M/F)			
Start of year	549	2,262	2,796
Inflow	131	310	441
Outflow	89	246	320
Year-end	591	2,326	2,917

* The number of employees excludes 440 employees working at our subsidiaries Assetrail, Nexton, BR Controls, A. de Reus, and Van Vuuren.

	< 30	30-50	> 50	TOTAL
INFLOW AND OUTFLOW (AGE)				
Start of year	368	1,553	890	2,796
Inflow	165	202	74	441
Outflow	65	178	92	320
Year-end	468	1,577	872	2,917

	TOTAL
COLLECTIVE LABOUR AGREEMENT	
CLA Bouw & Infra	89.0%
CLA Metaal & Techniek	3.9%
CLA Railinfrastructuur	6.0%
CLA tail Non-food	1.1%
Total employees under a CLA	100.0%

COLOPHON

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