



# LEAP FORWARD

**ANNUAL REPORT 2021**



**DURA VERMEER**

Waarmaken van ambities



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Cover page

Laying new tracks and points, Amersfoort

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# FOREWORD

In spite of the Covid-19 and the nitrogen problems, 2021 was again a successful year for Dura Vermeer. The strategic direction, focusing on project management and increased attention for sustainability, digitalisation and innovation has proved invaluable. In addition, a major part of our success has been due to the resilience and dedication of our employees.

As this annual report demonstrates once more, our priority remains safety in everything we do. Safety awareness continues to increase within Dura Vermeer, and our commitment to it is as strong as ever. This is reflected in the incident frequency rate or IF rate, which was lower again in 2021. Even so, on one of our building sites a fatal accident occurred; an employee of one of our subcontractors died in a fall. We are profoundly saddened by this and we offer our deepest sympathies to his family and friends. This unfortunate incident should remind us that we cannot let our vigilance slip for one moment.

Thanks in part to the opportunities in the residential construction market and the 'Bouwvrijstelling' - the exemption from nitrogen rules for construction, demolition and one-off construction projects - our Construction and Property Division has grown significantly. Although the construction of new offices has virtually ground to a halt, this has not had a significant impact on our scheduled work. Demand for care centres, laboratories and schools has increased, as has renovation, energy-efficiency and conversion work, including the conversion of existing office buildings into flats. However, we have been faced with considerable delays in a number of permit procedures. As a result, we have had to postpone the start of several construction projects.

Unfortunately, the nitrogen crisis had major consequences for our Infra Division, which saw a number of major projects and tenders cancelled. The shortfall in government budgets for infrastructure projects, caused mainly by the decentralisation of responsibilities combined with the unexpected extra expenditure related to the Covid-19 virus, has also led to the postponement and cancellation of tenders. We were able to compensate for the missed sales with our activities in the rail and energy segments, so that thanks to our broad portfolio of activities overall we still achieved higher sales than in 2020.

Wonderful developments are afoot in our company. In 2021, for example, we launched a new business unit: the Engineering Division. With this division, we want to further strengthen our market position by developing our own

knowledge and expertise in electrical and mechanical engineering and offering them as an integral part. The division will both develop its own activities and realise growth through acquisitions. In this context, Dura Vermeer has acquired a stake in BRControls, an expert in building management systems, with whom we have already carried out a number of fine projects. At the same time, this will mean a considerable boost for our strategic priority of innovation.

We also foster innovation with our annual Dura Vermeer Innovation Award. In 2021, our employees submitted no less than 236 ideas, demonstrating the broad support that innovation enjoys in the company. We will examine the best submissions with a view to scaling them up. We also continued to invest in NEXT, the team of business developers within our divisions that helps to identify and deploy new technologies and assets more quickly. Where appropriate, investments are made in companies that contribute to a commercial and strategic advantage. Furthermore, digitalisation has become an integral part of our design and construction processes. We see great benefits, not only in reducing the chances of error, but also in speeding up processes and increasing the customer's insight into both construction progress and the future result.

We have also once again made good progress in the area of sustainability. Among other things, we are in the process of electrifying our equipment, which will allow us to emit far less CO<sub>2</sub>. An important investment in 2021 in this context is in a fully electric set of asphalt laying machinery. Our fleet now emits significantly less because we are increasingly using electric cars and phasing out diesel completely. Circular construction is taking clearer shape, for example with our Dura Vermeer Urban Miner initiative, a construction hub near Rotterdam where components from buildings are processed for a second life. Also, 100% circular asphalt is being used more and more, as we are showing with the Asphalt Recycling Train. In addition, we are committed to timber construction, in which we see a future and are investing heavily.

Finally, we have launched several initiatives in order to improve biodiversity and the health of residents and users. We find that our efforts for sustainable building are paying off.

Our diversity policy is also appreciated. The Social and Economic Council (SER) presented the Dura Vermeer's Bureau Social Return with the SER Award for Diversity in Business. Bureau Social Return is concerned with

employing people at a distance to the labour market. These are predominantly people with an occupational impairment and with a non-Western migration background, including status holders. In addition, no fewer than six Dura Vermeer women were named in Cobouw's Bouwvrouw50 list. Naturally, these are things that we are proud of. We are confident that we are on the right track as a company; at the same time, we realise that there is still a long way to go.

I look back with pride on 2021 and on the beautiful things we have done in the Netherlands, with which we have made a powerful mark. At the current time, the Covid-19 and nitrogen problems are overshadowed by the war in Ukraine. Without wishing to downplay the seriousness of these terrible events for all directly involved, as a company we look at that the war means for the economy and how this may affect our company. For Dura Vermeer, the war may lead to a review of the risks we are exposed to with respect to the availability of materials and the price risk. We will try to prepare ourselves as well as possible, and take measures where necessary to mitigate these risks as well as we can in order to limit the impact on our projects.

In spite of the above, we are confident about 2022, the first year of a new strategy period. Under the heading 'Leap Forward', we are building on our successful strategy

of recent years, choosing to increase our external focus in order to respond even better to developments in society and among our customers. In addition, we are increasing our knowledge and experience in sustainable design and construction, investing heavily in new technologies and data, and accelerating innovation by participating in small, innovative players.

Most importantly, at the end of this foreword I must thank our staff. Without their unwavering commitment, professionalism, skill and agility, it would have been impossible to make 2021 a success. That they also managed to cope with the unpredictable behaviour of the Covid-19 virus and its consequences is a testament to their resilience and loyalty to our company. I am very grateful to them for this. I also thank our clients and partners for their trust. I look forward to continuing to work together to keep Dura Vermeer at the forefront of the Dutch construction industry in 2022.

Rotterdam, 9 March 2022

**Job Dura**  
Chairman of the Management Board,  
Dura Vermeer Groep NV

'We have once again made good progress in the area of sustainability'

**JOB DURA**  
Chairman of the Management Board





# 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 maintenance, renovation and transformation.

## MISSION AND VISION

We are a reliable, long-term partner in achieving a high-quality and sustainable built environment, made for and by people.

## CORE VALUES

In doing so, we always act on the basis of our core values: safety, quality and reliability.

## SAFETY IS OUR NUMBER ONE PRIORITY

We ensure that everyone, every day, can travel safe and sound from and to their homes.

# KEY FIGURES 2021

## SCHEDULED WORK

(Amounts x € 1 million)

# 2,835



## OPERATING INCOME

(Amounts x € 1 million)

# 1,611



## AVERAGE NUMBER OF FTE'S

# 2,696

## NET RESULT

# 52.4

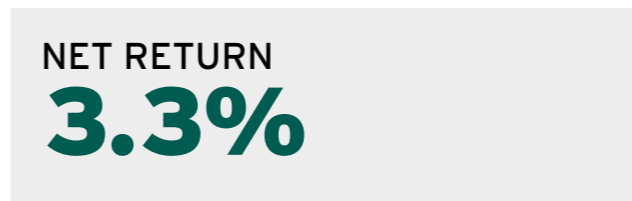


## IF RATE

# 0.49

## NET RETURN

# 3.3%



## SOLVENCY

# 33.0%



## GENDER DIVERSITY

# 22.3%



# MILESTONES

## 2021

In 2021, we realised many great projects and took important steps towards realising our strategic ambitions. In this overview, we highlight some of them.

4 MARCH

### DURA VERMEER'S 'URBAN MINER' CIRCULAR CONSTRUCTION HUB LAUNCHED

Dura Vermeer Urban Miner makes it possible to reuse harvested materials and components in projects.

3 JUNE

### DURA VERMEER SETS UP ENGINEERING DIVISION

A fully-fledged engineering division within Dura Vermeer forms an integral part of the solution for clients' increasingly complex requests.

23 SEPTEMBER



### TIMBER STACKING: BLOKJE OMHOOG STARTS IN LOSSER

Dura Vermeer rapidly stacks ready-made modules in timber-frame construction into a circular apartment complex.

20 OCTOBER

### DURA VERMEER ENGINEERING DIVISION ACQUIRES STAKE IN BRCONTROLS

Dura Vermeer is entering into a strategic partnership with BRControls, a developer of hardware and software products for web-based building management systems.



5 NOVEMBER

### NOORD-BRABANT INTRODUCES LIGHTING-AS-A-SERVICE ON N279

With an innovative concept, Dura Vermeer, rather than the province, retains ownership of 600 street lights whose light can be adjusted to traffic intensity and weather conditions.

7 DECEMBER

### DURA VERMEER PARTICIPATES IN MILLENAAR & VAN SCHAIK TRANSPORT

Dura Vermeer becomes one of the four new shareholders in Millenaar & van Schaik Transport, which specialises in asphalt transport.

◀ 2021

2022 ▶

1 MARCH

### SCOOP: RESPONSIBLE CONCRETE HALVES CO<sub>2</sub> EMISSIONS

In Almere, Dura Vermeer is building 38 houses for social housing corporation Ymere with concrete that emits 60% less CO<sub>2</sub> during production.

19 AUGUST

### DURA VERMEER'S CONSTRUCTION AND PROPERTY DIVISION ACHIEVES TREAD 4 ON THE SAFETY CULTURE LADDER

Within a short time, we managed to move up from Tread 3 to Tread 4. This puts us in the vanguard of companies with similar activities. The Infra Division remains on Tread 4 and the rail company extends its stay on the highest Tread 5.

27 SEPTEMBER

### DURA VERMEER BUILDS 'SECOND LIFE' BRIDGE AT FLORIADE

The 80-metre-long bicycle and pedestrian bridge is almost entirely composed of 'second life' materials: almost no new raw materials were used.

5 OCTOBER



### BUREAU SOCIAL RETURN WINS SER 'DIVERSITY IN BUSINESS' AWARD 2021

With an innovative, effective and transferable practical example Dura Vermeer demonstrates how the company promotes diversity and inclusion in the workplace, according to the SER jury.

16 NOVEMBER

### FIRST ALL-ELECTRIC HOSPITAL IN THE NETHERLANDS COMPLETED

Dura Vermeer built the first fully electric hospital for Isala and Noorderboog.

1 DECEMBER

### DURA VERMEER TAKES BIG STEP TOWARDS ZERO-EMISSION CONSTRUCTION SITE

Dura Vermeer is investing in the electrification of a complete set of asphalt laying machines, consisting of a large finishing machine, three rollers and an electric spray unit.

12 DECEMBER

### DURA VERMEER ACQUIRES MAJORITY STAKE IN CONSTRUCTION COMPANY A. DE REUS BV

Dura Vermeer expands its services in the ports of Rotterdam by participating in A. de Reus Aannemersbedrijf BV.



# ABOUT DURA VERMEER

## ABOUT DURA VERMEER

### Profile

Dura Vermeer is a family business that has been in existence since 1855. We are an independent construction company active in the Netherlands. Our independence and long-term continuity form the basis of our strategy. With over € 1.6 billion turnover and more than 2,700 employees (2,696 FTEs), we are among the top players in the Dutch construction industry. We are active in residential construction, non-residential construction and infrastructure in the Netherlands. Our core activities include the design, development and realisation of construction and infrastructure projects, transformation, maintenance and renovation. Within these activities, we are expanding our knowledge and skills in the field of technology.

The 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 customers identify with. We are building a world in which future generations will also be able to work and live. This crucially requires that we listen to our stakeholders, that we are flexible and respond promptly to new developments, not least in the area of sustainability.

### Vision and mission

The construction industry is in the middle of a transformation. The importance of sustainability is greater than ever, the role of digitalisation has grown explosively and demand for high-quality technology has increased sharply. This results in new working methods and new forms of customer relations and partnerships. New revenue models are also emerging. In previous transformations, Dura Vermeer also led the way and helped shape innovation. And we are doing this again: in our approach, our choices and our practices. 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 partner in the realisation of a high-quality and sustainable built environment, made for and by people.

### Core values

As a family business, we always focus on the long term and place great value on 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 on the basis of our core values, with safety as our number one priority.

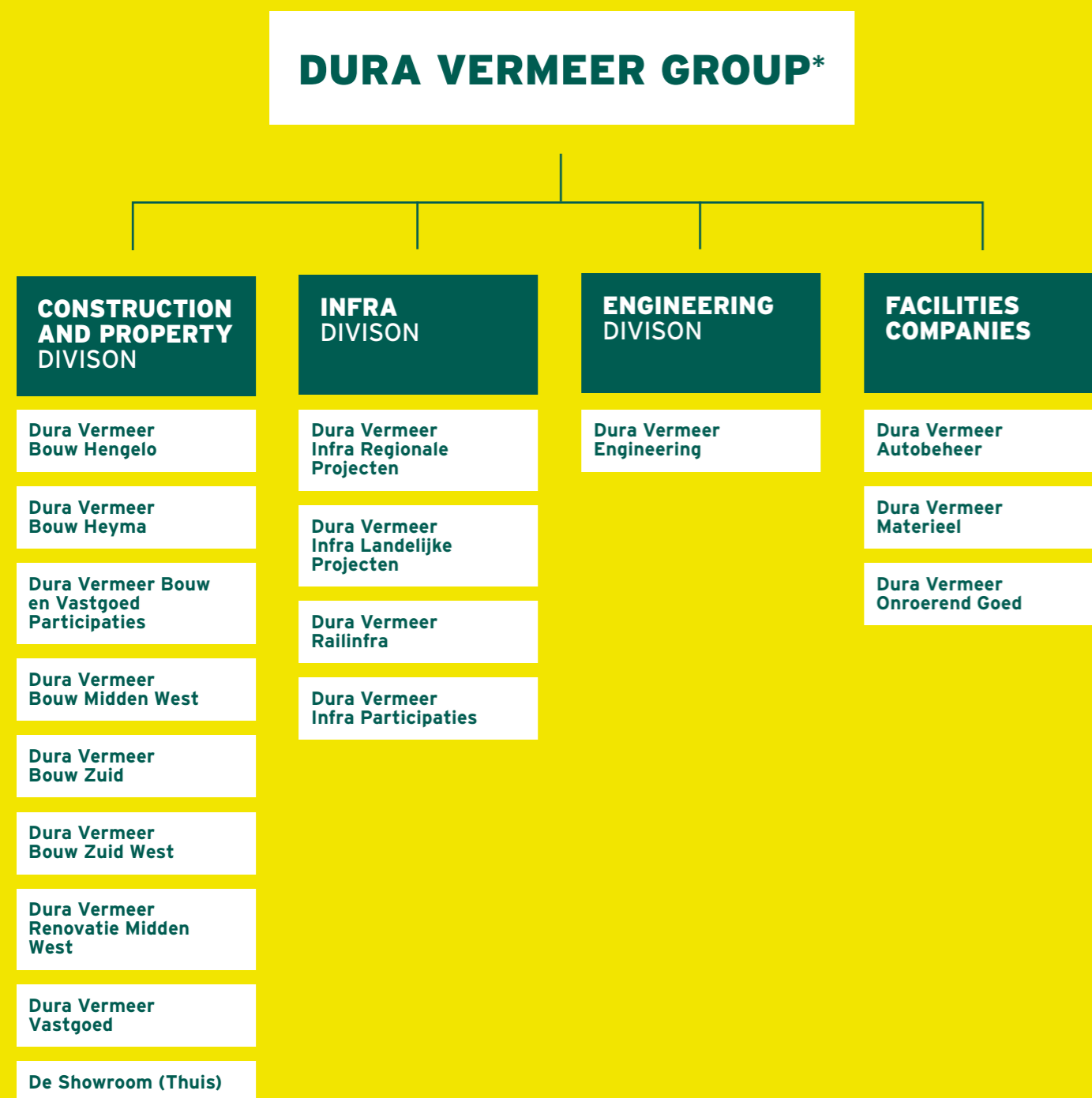
Our core values are:

- Safety
- Quality
- Reliability

### Our business model

Our company has three divisions: the Construction and Property Division, the Infra Division and the Engineering 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: the Materieeldienst (equipment department) and Autobeheer (vehicle management). 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.

# OUR ORGANISATION



\* The organisation chart above includes only the wholly-owned subsidiaries (as of 1 March 2022).



## New activities

Het belang van installatietechniek als integraal onderdeel van The importance of electrical and mechanical engineering as an integral part of our projects has grown significantly in recent years and continues to grow. The realisation and maintenance of engineering equipment in construction and infrastructure projects requires more and more knowledge and an increasingly complex chain of partners, specialists and suppliers. Smart technologies form the basis of many sustainable, intelligent and healthy solutions in homes, buildings and infrastructure. In order to respond to this as well as possible, we established a separate Engineering Division on 3 June 2021. The Engineering Division acts 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.

In October 2021, the Engineering Division acquired a stake in BRControls, a developer of hardware and software products for web-based building management systems. BRControls plays an important role in the development and realisation of projects in which customer demand is focused on optimum user comfort, increased productivity, good health and management and energy cost savings.

In December 2021, Dura Vermeer acquired a stake in Millenaar & Van Schaik Transport. Together, we will take up the challenge of making the logistics of the construction process more sustainable. Millenaar & Van Schaik Transport is a leading player in the transition to sustainable transport.

Dura Vermeer also acquired a stake in A. de Reus Aannemersbedrijf BV in December 2021 to strengthen its port and industrial activities. A. de Reus Aannemersbedrijf is a family business that carries out specialist work in the port of Rotterdam. In addition to soil remediation, concrete work and site preparation, this includes in particular suction, excavation and vacuum pressure work and low- and high-voltage cable work for the petrochemical industry, storage and transshipment companies, logistics and energy. With this partnership we will be able to offer customers an integrated service.

## CONSTRUCTION AND PROPERTY DIVISION

### OPERATIONS

The Construction and Property Division develops, designs, builds and transforms for its own account and risk and for third parties. The division develops and builds ground-level houses and apartment complexes. The Construction and Property Division is also active in the development, construction and/or transformation of offices, hotels, hospitals and laboratories. Finally, refurbishment contracts, from foundation repair to the renovation of 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 private companies, healthcare and educational institutions, the Rijksvastgoedbedrijf (Central Government Real Estate Agency), social housing associations, municipalities and private individuals.

### EMPLOYEES

At year-end 2021, the number of employees at Dura Vermeer Construction and Property Division was 1,173 FTEs.

### TURNOVER

In 2021, the turnover of the Construction and Property Division was € 946 million.

## INFRA DIVISION

### OPERATIONS

The Infra Division designs, builds, maintains and renovates roads, bridges, tunnels and dykes. It is also involved in energy-related projects such as onshore wind farms. In port and industrial areas, the division designs and supplies load-bearing structures for process installations, such as on heavily used sites and in factories and distribution centres. With the rail company, the Infra Division builds new or renovated tracks for trams (light rail) and trains (heavy rail) and, through its participation in Assetrail, it is also responsible for track maintenance in various contract areas. Finally, in partnership with various specialist companies, the Infra Division has the knowledge and expertise to take on complete projects.

### CLIENTS

The division works mainly for Rijkswaterstaat, ProRail, provinces, municipalities, energy suppliers and private companies, in port areas and elsewhere.

### EMPLOYEES

At year-end 2021, the number of employees at the Dura Vermeer Infra Division was 1,198 FTEs.

### TURNOVER

In 2021, the turnover of the Infra Division was € 663 million.

## ENGINEERING DIVISION

### OPERATIONS

The Engineering Division was founded in 2021 and acts 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 subcontractors who are contracted and coordinated by the Engineering Division's project management team. In October 2021, the Engineering Division acquired a stake in BRControls, a developer of hardware and software products for web-based building management systems.

### CLIENTS

In 2021, the Engineering Division still worked mainly with internal clients, i.e. Dura Vermeer Construction and Property Development and Dura Vermeer Infra Division.

### EMPLOYEES

At year-end 2021, the number of employees in the Engineering Division was 42 FTEs.





# OUR ENVIRONMENT AND OUR STRATEGY

## TRENDS AND DEVELOPMENTS

### Market developments

The expected negative impact of the Covid-19 crisis on the construction industry has largely failed to materialise. Repair, conversion and renovation work in fact increased, as consumers and companies spent more on this, partly due to the government support that averted an economic downturn. The coalition agreement of the Rutte IV government, concluded in December 2021, offers prospects for Dura Vermeer with the announcement of large investments in construction and infrastructure. For more information on this, please refer to the [Outlook](#).

### Construction industry

#### Residential and non-residential construction

There is great scarcity in the housing market in the Netherlands. Residential construction offers good opportunities for Dura Vermeer in all segments and regions, from public-sector rented housing to owner-occupied housing. The scarcity and shortage of labour stimulate the use of standardised and modular construction, also because of its speed. The addition of housing will not only take place through densification, but also through new construction on the city outskirts and on former agricultural land. However, municipalities have been spending a great deal of resources on coping with the consequences of the Covid-19 crisis, which has led to deficits. There is also a capacity issue: we have to deal with extensive spatial planning procedures that cause delays and there is often a shortage of officials to allow sites to be put into development. Growth can also be observed in logistics, education, healthcare and laboratories. The logistics sector was already growing strongly due to the increase in online shopping, and this has been accelerated by the Covid-19 crisis. The number of new projects in education and healthcare is also rising, the latter partly due to the strong ageing of the population. Dura Vermeer sees opportunities in these forms of non-residential construction, rather more than in the construction of new office buildings, for which demand has fallen, as hybrid working in some form or another is expected to become permanent.

#### Transformation and renovation

However, the office market does offer opportunities of a different kind for Dura Vermeer. Conversion of existing office buildings into homes or demolition/new construction has become an important market, not least because of the higher requirements for energy performance and indoor climate. In addition, social housing corporations face an uphill task to improve the energy performance of their assets.

### Infrastructure sector

#### New construction

Due to the ongoing uncertainty caused by the impact of nitrogen on the mobility market, the implementation of infrastructure works has stagnated and new projects have been postponed. In addition, the Covid-19 pandemic has led to municipal budget shortfalls, which have also resulted in postponements. The outlook for the rail infrastructure market and flood protection programmes is positive.

#### Replacement and renovation

Many engineering structures, such as bridges, viaducts and tunnels, were built just after World War II and are beginning to show their age. Due to increase in transport and load, these structures will not last the expected lifetime of 100 years, but 'only' 60 or 70 years. This offers enormous opportunities. At the same time, this will require a far larger budget than is presently available. Incidentally, in the rail infrastructure market, funds are available for the replacement and renovation projects.

#### Management and maintenance

The ageing infrastructure, changing climate conditions and limited budgets lead to increasing demand for more predictability around infrastructure degradation, maintenance cost control and lifecycle extension solutions.

### Climate change and energy transition

The effects of climate change are becoming increasingly apparent in the form of heat, drought, subsidence, extreme rainfall and flooding. In 2015, the Dutch government committed itself to the goals laid down in the Paris Climate Agreement for reducing greenhouse gas emissions, including CO<sub>2</sub>.

The Dutch Climate Agreement stipulates that by 2030 CO<sub>2</sub> emissions must be reduced by 49% compared with 1990, and the Netherlands wants this percentage to be raised to 55%. By 2050, greenhouse gas emissions must be reduced by 95%. For the time being, however, emissions reductions are still below target.

The Netherlands is preparing for the consequences of climate change under the heading of climate adaptation. This includes reinforcing dykes to keep us safe from flooding. River widening is also needed to handle large volumes of water from the hinterland. In addition, enhanced water storage is important to endure dry times. These elements are part of the Flood Protection Programme. Greening of cities can also play an important



## DIGITALISATION IS RADICALLY CHANGING THE CONSTRUCTION INDUSTRY

Scaled Robotics

role. By designing and building projects in a nature-inclusive way, the construction industry can help counteract the decline and even increase biodiversity. Nature-inclusive building reduces heat stress and improves water management in built-up areas. It also makes a positive contribution to public health. In all these interventions, companies in the construction and civil and hydraulic engineering sectors can play a major role.

The energy transition is necessary to reduce greenhouse gas emissions, among which CO<sub>2</sub>, and combat climate change. New buildings and homes are increasingly climate-neutral and existing buildings and homes must be made more energy-efficient or energy-neutral. The construction industry will also be called upon to help achieve this goal. Meanwhile, demand for energy continues to grow due to ever increasing prosperity and population growth. To enable the energy transition and the growing demand for energy, the production of renewable energy such as solar and wind power must be expanded and the electricity grid must be adapted. Construction and civil engineering companies will also play a role here.

### Scarcity of raw materials

Non-renewable resources are being consumed at a rapid pace across the globe. It is vital for us to reverse this process. The answer is circularity: as often as possible, i.e. high-grade, reusing raw materials, with the ultimate goal of not extracting any new raw materials and causing the least possible pollution during production. By 2030, the Netherlands aims to use 50% less primary raw materials (minerals, metals and fossil) compared to 2014, and by 2050 the Netherlands wants to be fully circular. This has been laid down in the Raw Materials Agreement and is being detailed for the construction industry via the Circular Construction Economy Transition Agenda (part of the National Building Agenda). The construction industry is one of the five industries that the government is focusing on. This is reflected in the procurement policies of both the national government and increasingly also the provinces and municipalities. Over the next few years, the number of market demands with requirements for the circular application of raw materials is expected to increase exponentially. Circular building starts at the design stage and plays a role throughout the entire chain. Circularity demands great innovative power from the construction industry.

The scarcity of raw materials, combined with the fact that chains for new materials are still being developed, is manifesting itself in sharp price increases. Energy prices are also rising sharply. Circularity helps to break our dependence on new raw materials.

### Technology and digitalisation

The digital transformation is radically changing the construction industry. This development is driven by three forces: continued pressure on margins, the ever-increasing expectations of customers and the availability of new technologies. Technology helps us to work more efficiently and to lower costs, and to better respond to customers' expectations and wishes. The likelihood of errors is also reduced by improved and more automated communication. In addition, technology makes it possible to use data as a basis for strategic decisions. The digital transformation involves the primary construction process and all technologies that contribute to performance, such as sensors and drones, smart use of data, robotisation and artificial intelligence, as well as administrative and support processes and employee tools (smart devices). Besides opportunities, digitalisation also brings risks. For example, cybercriminals can exploit gaps in systems in an increasingly sophisticated way. This is something every company must be aware of, and Dura Vermeer is no exception.

### Developments in the labour market

The expected downturn in the construction industry due to Covid-19 did not materialise. In fact, demand for staff is very high, both on the executive side and in middle and senior management. Social developments such as the housing shortage, the ageing population and the task of replacing and renovating civil engineering works are an important cause of this. Therefore, inflow, through-flow and training and development at all levels within the organisation become even more vital in order to be and to remain competitive. In time, further digitalisation and robotisation may resolve shortages in certain areas, but the human factor remains important.

Diversity and inclusion are playing an increasingly key role. Different views on solutions and the broader perspective of a diverse group of employees make it possible to enhance companies' performance. In addition, there is a social added value in raising diversity and inclusion in the workplace. In addition to promoting a pleasant and effective working atmosphere, this also meets the stricter demands of clients and society in this area.

### Laws and regulations

#### Nitrogen Reduction and Nature Conservation Act

Since the Council of State declared the calculation method for nitrogen deposition invalid in 2019, many construction projects in the Netherlands have been delayed. It is still unclear whether the calculation method currently used in the Netherlands to measure nitrogen deposition per construction project will comply with European Directives and thus provides a viable basis for determining the nitrogen deposition of projects and (consequently) obtaining permits. As a result, the continuation of large infrastructure projects in particular is unfortunately still uncertain. A positive point is that the Nitrogen Reduction and Nature Conservation Act (Nitrogen Act) came into force on 1 July 2021. Part of this law is the construction exemption, formally referred to as 'the exemption for construction, demolition and one-off construction projects'. This is a relaxation of the rules, as only the nitrogen deposit in the use phase (and not in the construction phase) plays a role in the permit process.

#### EU legislation and regulations

In general, we are seeing an increase and an acceleration in the regulation of sustainability and transparency on sustainability. With the European Green Deal, Europe has set the goal of becoming climate-neutral by 2050 and reducing emissions by 55% compared to 1990 by 2030. The Sustainable Finance Action Plan is the plan of the European Commission to ensure that the financial system is transformed 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 - both parts of the Sustainable Finance Action Plan - apply.

# STRATEGY AND STRATEGIC PRIORITIES

In the financial year 2021, we worked in accordance with the goals and ambitions of our strategy for 2019-2021. This strategy was based on the following four priorities:

## STRATEGIC PRIORITIES

1. Increased focus on customer and market:
  - Further shifting the portfolio to more profitable markets and segments and to projects where Dura Vermeer can add more value. Broadening our proposition in the area of electrical and mechanical engineering technology.
2. Empowering our people (thus) strengthening our organization:
  - Investing in the qualities of our employees and further expanding our network organisation. Strengthening our competencies in property development and electrical and mechanical engineering technology. Increasing our attractiveness to talent with a broader and more diverse background.
3. Digitalisation, sustainability and innovation:
  - Accelerating digitalisation, building towards a leading role in sustainability and developing new revenue models that meet the needs of our customers.
4. Improving financial results:
  - Continuing to focus on margins rather than volume, and keeping focused on operational excellence and failure cost reduction, for example by developing a Standard Way of Work.

In Chapter 3 'Policy and results' we discuss our strategic priorities, objectives, operations and results in more detail.

## New strategy for 2022-2024

the strategy for the years 2022-2024. As our strategy has proved successful, we are continuing with the strategic priorities from the previous period. Continuity, profitability and independence remain the basis. We focus on the Dutch market and strive for mainly autonomous manageable growth and spreading of activities to keep risks manageable. Social commitment is still at the forefront of everything we do, and we are looking even further across boundaries to respond to our customers' needs with innovations. In projects, we work directly for the end-customer and take central control. We invest in the knowledge and skills of our employees and aim to be among the best employers in the industry.

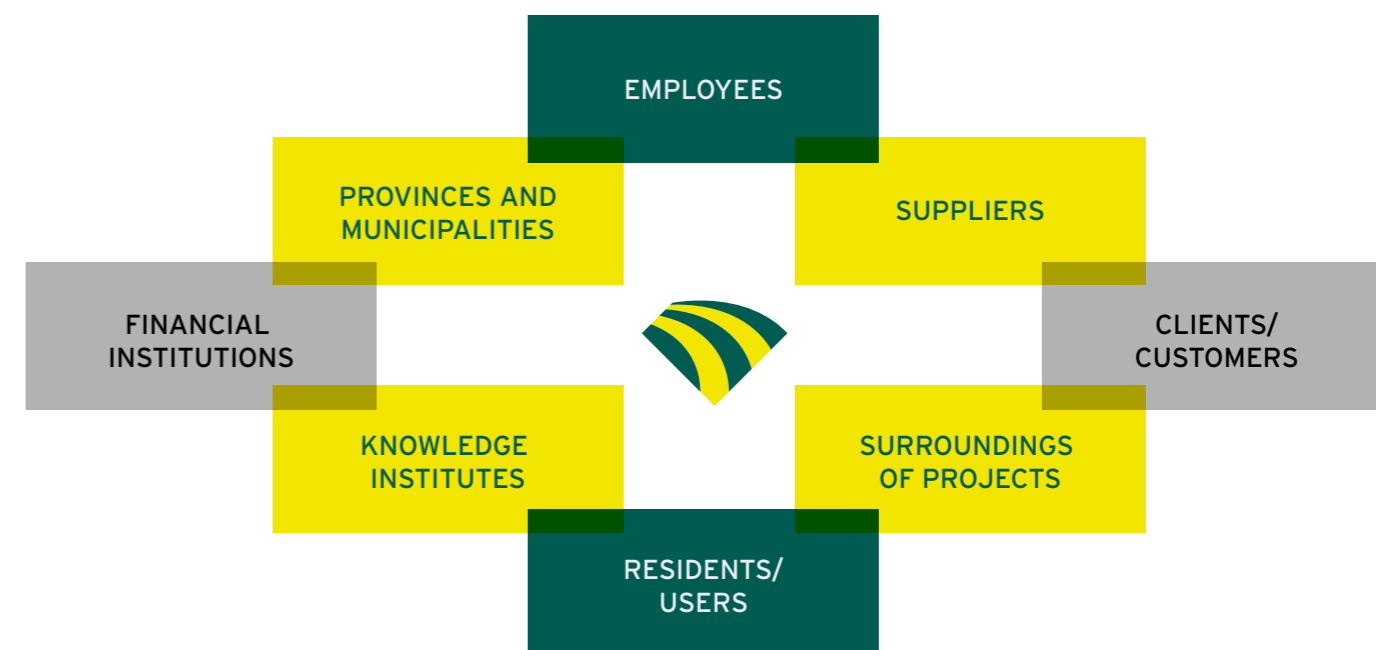
The four strategic priorities of our previous strategy have proved successful and are still relevant. However, in view of the competitive market, we will strengthen our external focus in order to respond even better to developments in society and among our customers. In addition, we are

increasing our knowledge and experience in sustainable design and construction, investing heavily in digitalisation with extra focus on new technology and data, and accelerating innovation by participating in small, innovative players. We also want to make even better use of opportunities in market segments with growth prospects. In addition to further growth in the existing business, our goal for the near future is to expand our activities in the electrical and mechanical engineering sector. For this purpose, we established the Engineering Division in 2021.

Based on the new strategy, in December 2021 we amended our Policy Statement in which the Dura Vermeer Management Board explains how Dura Vermeer fulfils its corporate social responsibility.

# VALUE CREATION

## Our stakeholders



We create value for and with our stakeholders, taking account of the needs of future generations and society as a whole. In order to be able to do this, it is important to understand their interests, needs and expectations. Contact with our key stakeholder groups has been integrated into Dura Vermeer's daily activities.

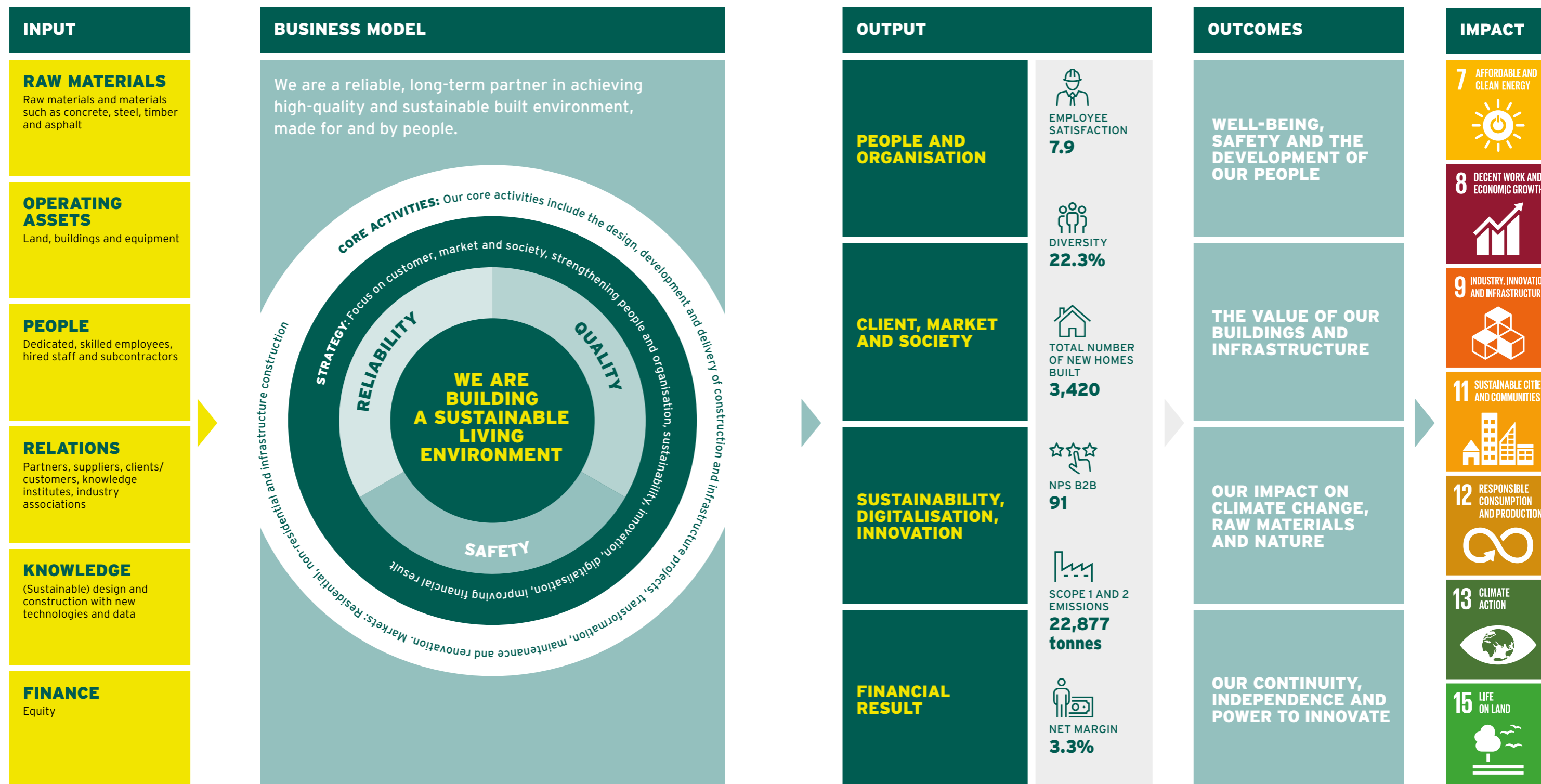
The above illustration shows the main stakeholder groups.

Dura Vermeer is a project organisation and as such we focus on involving stakeholders at project level. This ensures that we work on solutions in which the interests of all stakeholders are properly balanced.

## We create long-term VALUE for all our stakeholders

# BUILDING A SUSTAINABLE ENVIRONMENT

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



## 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'.

We focus on long-term value creation for all our stakeholders. The most important positive outcomes are the values we create for the end-users with our infrastructure, homes and buildings. These include mobility, connection and being able to live, reside and work in a safe and healthy environment. Working in construction involves risks to the safety of our people, so safety is always our number one priority. At the same time, we offer good working conditions and create an environment in which employees enjoy working and can fulfil their potential. Our impact on climate change, resource depletion and nature is a significant negative impact that is primarily 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 an increasingly energy-neutral, circular, climate-adaptive and nature-inclusive way.

Our business model summarises how we create value, while 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 products and services, but also their additional effects, such as emissions.

A number of people and resources are vital for us to carry out our core activities. First and foremost, of course, our own employees, but also the people who work for us on a temporary basis and the subcontractors with whom we partner. 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. Finally, we must mention our relationships with our (chain) partners: without them, we cannot realise our goals.

The Sustainable Development Goals make clear where our social contribution – impact – lies. That contribution is described in the next section.

### Our contribution to the Sustainable Development Goals

Dura Vermeer endorses the ten principles of the UN Global Compact with regard to human rights and working conditions, the environment and anti-corruption. In addition, we actively contribute to those Sustainable Development Goals (SDGs) where we can make the greatest positive impact. These are:

- SDG 7 Affordable and clean energy
- SDG 8 Decent work and economic growth
- SDG 9 Industry, innovation, and Infrastructure
- SDG 11 Sustainable cities and communities
- SDG 12 Responsible consumption and production
- SDG 13 Climate Action
- SDG 15 Life on land

In our [policy statement](#) we describe our policy on the most important topics for each strategic priority and how we implement them.



Partnership agreement on component paving and maintenance Municipality of Amsterdam



# POLICY AND RESULTS



# STRATEGIC PRIORITY PEOPLE AND ORGANISATION

Our employees are the key to our success. That is why we invest in developing the qualities of all our employees. And to attract even more talent, we leverage our reputation as a good employer. We are also targeting new colleagues from different backgrounds. Ensuring the safety of our people and others working on our construction sites is our primary responsibility.

At year-end 2021, 37% of our workforce consisted of hired staff. We mainly hire in people to work on our construction projects. In addition, many employees on our building sites work under the direction of subcontractors engaged by Dura Vermeer.

## Good employment practices

### Dura Vermeer as an employer

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 everyone, 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. These allow our employees to get the best out of themselves.

### Human Resources policy

Our HR policy is linked to the strategy in which the following developments play a role: the increasingly complex multidisciplinary activities, the growth rate of the economy, and increased scarcity in the labour market.

Good staff is decisive for the success, competitive position and continuity of Dura Vermeer. We give the human factor in our company room for entrepreneurship and development, so that we can achieve the overall business goals and also give our employees the opportunity to develop.

Although we are experiencing labour shortages, we are still managing to attract the right people, partly due to our progressive labour market campaign and related activities.

### Impact of the Covid-19 virus in 2021

With the industry-wide protocol 'Working together safely', supplemented by our own working protocols, we were able to continue working safely on our projects. In 2020, we took the first steps towards flexible working, and in October 2021, we introduced a flexible working policy for our employees who can work independent of time and place, which enabled us to help strike the right balance between working in the office and at home. Thanks to the flexibility of our people, we achieved good results again last year.

Employees (headcount)	2021	2020
<b>START OF YEAR</b>	2,707	2,636
<b>INFLOW</b>	461	323
<b>OUTFLOW</b>	-283	-252
<b>YEAR-END</b>	2,885	2,707
<b>HIRED STAFF</b>	1,065	1,131

### Certificate from Top Employers Institute

In 2021, we worked hard to obtain the prestigious certificate of the Top Employers Institute. And we have succeeded. This makes Dura Vermeer one of 66 Dutch companies with this certificate. The certificate recognises that the company puts people first and that they do their work under the best working conditions, which enables them to function well. With this recognition, we can strengthen our position as an 'employer of choice'.

### Absenteeism

As part of being a good employer and our core value of 'safety', we see it as our duty to monitor the health and well-being of our employees at work. Our offices meet the highest standards in this area, we offer healthy lunches and we ensure that our employees are adequately protected. We offer our people an environment where they can feel safe and at ease.

Our target for 2021 was an absenteeism rate of below 4%. We have achieved this goal. At an average of 3.5%, the absence rate of Dura Vermeer is relatively low compared to the sector as a whole. Contrary to expectations, Covid-19 did not increase absenteeism.

In order to keep our employees healthy and prevent absenteeism, we work with the #DV4FIT programme. In this way, we show the benefits of working on health and encourage our employees to do this also by themselves, individually or in teams. To support mental health, we offer 'Mentally Fit with Mirro'. We have also entered into an agreement with YincQ, through which employees can get advice on their financial health and gain insight into their financial situation now and in the future, so that they can get a grip on it and make well-informed choices, for example on whether or not to make use of the Zwaarwerkregeling. This scheme allows employees in the Bouw & Infra Collective Labour Agreement to stop working up to three years before the state pension age. Of the employees who were entitled to the Zwaarwerkregeling, 90% made use of it in 2021.



Labour market campaign 'Heart for construction, our eye on you'.

### Employee satisfaction

In the second quarter of 2021, we conducted our employee satisfaction survey. This year, we used a different measurement method, which is simpler and more accessible. Together with an effective follow-up method, this had a positive effect on the response rate, pushing it higher than in previous years: 77% of employees completed the questionnaire in 2021 (in 2020: 44%).

The measurement was done in all divisions, and the average mark for Dura Vermeer was 7.9, so we only just missed our target of 8.0. When asked whether they would recommend Dura Vermeer to others as an employer, 98% said yes. Furthermore, 97% felt at home with us, and 89% thought there were enough development opportunities. We are very proud of these results, but we still believe we can improve and further raise employee satisfaction in the coming years. One initiative is that we are going to focus more on the development of our employees.

Dura Vermeer Groep	REALISATION 2021	TARGET 2021	REALISATION 2020
<b>ABSENTEEISM</b>	3.5%	<4%	3.6%
<b>EMPLOYEE SATISFACTION</b>	7.9	8.0	8.0

### Career development

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 certificates for Company Emergency Response (BHV) and mandatory certificates. Coaching and MBA courses are also possible.

### Diversity and inclusiveness

To ensure that Dura Vermeer continues to do business successfully in the future, that it increases its lead over its competitors and safeguards employee satisfaction, we will focus more intensively on diversity and an inclusive work culture. Companies with diverse teams connect better with customers and stakeholders and reflect the make-up of today's society. Diversely composed teams are also needed to drive innovation, change and technological advancement, taking Dura Vermeer forward. This will also ensure that Dura Vermeer is and remains an attractive employer for everyone in society.

We are putting this challenge of promoting diversity and inclusiveness into action across our business. In 2019, we set up a KPI for gender diversity. With this KPI we measure gender diversity among office staff with an employment contract. One of the ways we work on gender diversity is through our women's network EVA, which empowers and develops women in management and line positions to increase the proportion of top female professionals at Dura Vermeer. Our target for 2021 was to increase the percentage of women to 22% of the total number of employees. We have achieved this goal.

In a biennial survey, we examine whether there is a pay gap between men and women within Dura Vermeer. The most recent study indicated that there is no difference in remuneration for positions with equal knowledge and experience. The study is on the agenda again for 2022, so we will keep focusing on this topic.

Dura Vermeer's Bureau Social Return (SROI) has won the 2021 Diversity in Business Award from the Social and Economic Council (SER). Bureau SROI supports the creation of opportunities for people at a distance from the labour market by offering them a job, training and/or work experience. In 2021, Dura Vermeer offered 80 people a job. This is a lower number than in 2020, as we have made

the choice to focus more and more on sourcing from social enterprises. This allows these employees to continue to work in their own safe environment under the right guidance that they are comfortable with. In 2021, we purchased from social enterprises for approximately € 750,000. By this we mean companies that have a Prestatieladder Sociaal Ondernemen (PSO) or Code Sociale Ondernemingen (CSO) certificate, or that have sheltered employment status with a municipality. Purchasing from these companies is called social purchasing. These purchases have quadrupled compared to 2020. In 2021, we will be employing staff for green spaces, cleaning services, as well as other jobs.

### Recruitment

Finding good staff is difficult given the current tight labour market. So far, we have been able to fill most vacancies, although the lead time for some has been longer than we are used to. In our approach to the labour market, we show what we have to offer as an employer and try to get people to choose Dura Vermeer. Especially in the current labour market, where good people are highly attractive. In order to have and retain an active position in the labour market, two initiatives stood out in 2021.

In the campaign 'Hart voor de bouw, oog voor jou' [Heart for construction, our eye on you], our own employees are the leading actors in specially created storylines, in which we highlight our authenticity and our core values of safety, quality and reliability. The message is: if you are comfortable in your own skin, you will always do good work, and Dura Vermeer creates the conditions for that to happen. The publicity statements are supported by an extensive social media strategy. The campaign has been successful, because we are getting more applicants, the share of female candidates is higher than before and our popularity increased on the job site. Indeed in the first half of 2021. The campaign was nominated for the Werf& Award in the Labour Market Communication category.

In addition, we use the 'Via Via' programme to ask our employees to encourage people in their network to apply for jobs at Dura Vermeer. When they do, our employees receive a recruitment fee. This resulted in 84 successful applications in 2021.



Construction of foundation for Moerdijk wind farm

### Onboarding

Our onboarding of new employees was rated at 7.8 in the first half of 2021 in a survey and panel study of new employees. This was mainly due to the sense of family and our sincere and personal attention for new employees.

Onboarding of new employees is currently decentralised and handled separately by the divisions. In early 2022, we started a central onboarding programme for all new employees. The programme is also open to colleagues who

have been working with us for some time. With it, we foster commitment to our organisation and strengthen the identity of Dura Vermeer, while at the same time doing justice to the diversity within our divisions as well as in our central organisation.

Dura Vermeer Groep	REALISATION 2021	TARGET 2021	REALISATION 2020
<b>% OF WOMEN COMPARED TO TOTAL NUMBER OF UTA* EMPLOYEES</b>	22.3%	22.0%	21.1%

\* UTA stands for executive technical administrative.

## Our Bureau Social Return has won the SER Diversity in Business Award

## Safe and healthy construction

For us, safety is the number one priority, anytime, anywhere. We ensure that everyone can travel safe and sound from and to their homes every single day. We are creating a sustainable safety culture and work constantly to increase the safety awareness of our employees and our contractors. Being proactive and taking responsibility are key in this.

### Safety is our first priority

Because of the risk spectrum in which we operate as a construction company, we emphasise a proactive safety culture in all our projects. By proactive, we mean allocating safety and health as early as possible in the design process, but also our employees taking responsibility for a safe and sound realisation of the project within the sphere of influence of their position.

Dura Vermeer aims to continuously improve safety performance throughout the construction process, from design to completion. By foregrounding safety early on in the process, we can better ensure the safety of the construction sites and make our projects safer. Over the years, our security focus has shifted from physical solutions and resources to managing behaviour and culture. We consider a proactive safety culture throughout the chain as a prerequisite for a safe construction site.

We actively flesh out our role and responsibility within the chain. We also have discussions with our clients and contractors to help give substance to this chain responsibility and to streamline health and safety coordination on the projects. In our view, our contractors are contributors to the safety culture on our construction sites. Therefore, we are increasingly including the safety culture and its performance in our selection process.

Unfortunately, despite all our efforts, accidents still happen. Regretfully, in June a fatal accident occurred: at a construction site in Amersfoort, an employee of a subcontractor fell into the gap between a platform lift and a scaffold, and died from his injuries in hospital. We are profoundly saddened by this and we offer our deepest sympathies to his family and friends. The accident was thoroughly investigated and the industry was informed of the causes by means of a Safety Alert.

We strive for the lowest possible figure on the incident frequency index, the IF rate – the number of incidents leading to absence per million hours worked – on the Safety, Health and Environment Checklist for Contractors (VCA). The targets and realisation on this index in 2021 are presented in the table at the bottom of this page.

Since 2014, we have seen a continuous decrease in the number of incidents involving our own and hired staff that resulted in absence. At the end of 2021, we were approaching the zero line. We cannot measure to what extent the focus on safety culture and safety behaviour underlies this, but it is clear that it has made a positive contribution. Unfortunately, the average level of absenteeism increased. This was mainly due to two incidents in which the nature of the injury led to long absences.

	REALISATION 2021	TARGET 2021	REALISATION 2020
IF VCA	0.49	< 2.5	0.73
AVERAGE ABSENCE DUE TO IF INCIDENT	42.2	< 15	26

### Codes and guidelines

In order to make our performance in the area of health and safety measurable and demonstrable, Dura Vermeer is committed to the Governance Code Veiligheid in de Bouw (GCVB) [Construction Industry Safety Governance Code], the VCA standard and the Safety Culture Ladder.

The GCVB was drawn up in 2014 and signed by leading construction companies including Dura Vermeer, clients (construction, road, water and rail infrastructure and electrical and mechanical engineering companies) and consultancies. Together, we are taking safety to the next level by learning from previous incidents with all parties in the chain and by recognising and managing risks before they occur. Since 2019, all GCVB members apply the Safety Culture Ladder.

Dura Vermeer has been using the Safety Culture Ladder for years. It makes the safety awareness of organisations measurable, transparent and comparable and defines five treads to reflect the development stage of the safety culture. The highest step is Tread 5: progressive. Tread 4 stands for proactive and Tread 3 for calculating. Dura Vermeer's Construction and Property Development rose

from Tread 3 to Tread 4 in 2021. Both Dura Vermeer's Infra Division and the Dura Vermeer rail company have this year successfully continued on their treads, Tread 4 and Tread 5 respectively. Dura Vermeer Materieel was successfully certified at Tread 3. The various divisions cooperate closely to improve safety.

### Safety programme

Our SAVE (SAmen VEilig in de hele keten) [Safe together in the entire chain] safety programme is one of the programmes through which we want to create a lasting safety culture and increase the safety awareness of our employees and partners. We adhere to the principle: 'we work safely or we don't work'. The programme consists of 4 pillars:

- 1 Creating a proactive safety culture.
- 2 Safety on the construction site
- 3 Safety with regards to the built object itself (in the construction- as well as maintenance phase)
- 4 Safety with regards to the surrounding

In doing so, we are implementing the Governance Code Veiligheid in de Bouw.

**WE MUST BE EVEN MORE ALERT TO SAFETY IN THE CHAIN**



Smartlab



### 1 *Creating a proactive safety culture: also in the supply chain*

Dura Vermeer is working to establish a culture in which working safely is rewarded and in which everyone feels free to report errors and make suggestions to improve safety. We strive for a learning culture and we guarantee safety within the entire chain, from client to user, in a range of ways:

- We embrace certification on the Safety Culture Ladder through the joint agreement Veiligheid in Aanbesteding (ViA) [Safety in Tendering]. In recent years, we have invested heavily in guiding our chain partners towards certification on the Safety Culture Ladder. This is extremely important to us, because the vast majority of incidents occur with employees of subcontractors, who also carry out the bulk of the work. Because of our concerns in this regard, we are obliging our subcontractors with effect from 1 January 2022 to apply the ladder using the ViA (see [Safety in the supply chain](#)).
- The culture programme Zien Handelen Leren [See, Act, Learn] communicates the importance of proactivity, both internally and externally. In this way we endeavour to inspire clients and contractors to enhance the safety culture in their own organisations.
- We provide many training courses in occupational safety and safety leadership.
- With our safety app SAVE we inform the whole organisation about safety and health and share news. The app can also be used to report incidents. When a report is made, we not only discuss the situation, but also identify the source of an unsafe situation or incident. The SAVE reports provide a great deal of insight into cases that previously remained under the radar. For every report, we provide feedback to the reporter on how the issue was handled and how the situation changed after the report was made. This approach has improved the image of making reports and tripled the number of reports in 2021 compared to 2020. In 2022,

we will work to further improve the quality of reports so that we can get an even clearer picture of the causes of incidents.

### 2 *Safety on the construction site*

Dura Vermeer works on occupational safety in various ways. For example, we apply 10 Life-Saving Rules of Conduct on the construction site. We use safety as a selection and evaluation criterion among contractors and have included it as a core competence in the job classification system and assessment cycles. We also provide safety training. All Dura Vermeer business units have a safety advisor with background in safety expertise. This person is part of a safety organisation that is controlled by the divisions. We periodically test our employees' safety knowledge and regularly carry out safety inspections with our own safety experts or by engaging an external organisation.

### 3 *Safety with regards to the built object itself (in the construction- as well as maintenance phase)*

We ensure structural safety from the design phase all the way to the construction phase in order to prevent accidents and damage due to the collapse of (temporary) supports or the main structure during the construction phase. We strive for clear assignment of roles and responsibilities of structural engineers on our projects. We also working to improve the knowledge and experience of our own employees so that they can assess dangerous situations in terms of strength and stability.

### 4 *Safety with regards to the surrounding*

We make every effort to reduce the safety risks for the environment around the sites where we work. Already in the tender stage we take measures to eliminate bottlenecks, and we take extra care in fencing off construction sites. We also take measures to prevent falling objects and provide safe entrances and exits at construction sites. We reduce the inconvenience of work to the surrounding area as much as possible.

#### **Digitalisation**

Digitalisation is a good method of incorporating safety into the design phase. In the 3D designs in the Building Information Model (BIM) environment, all safety measures, such as fences, railings and anchors, can already be specified. By investing in safety training for the employees involved, we can optimise the added value of safety within the BIM model.



Port railway track Theemsweg, Rotterdam-Botlek

Other examples of digitalisation contributing to safe working methods include e-learning and online training courses and the possibility of quickly and effectively testing the safety knowledge of employees. In addition, the SAVE app gives us even better insight into incidents and allows us to identify their root causes. Based on the data, we can also make predictions for the emergence of risks on future projects.

#### **Collision hazards**

Manoeuvring vehicles and machines along the road sections and on and around the construction site can create dangerous situations. This is evident from the serious accidents that have occurred on Dutch construction sites in recent years, some of which have been fatal. Starting in 2021, Dura Vermeer will apply the 'Collision Risk Reduction' policy from the Governance Code voor Veiligheid in de Bouw in order to reduce the number of accidents caused by collisions. We do this by looking at the occupational hygiene strategy and adjusting the control measures accordingly.

#### **Safety in the supply chain**

As a signatory to the Governance Code voor Veiligheid in de Bouw, as of 1 January 2022 - with a three-month transition period - we will only work with companies that are Safety Culture Ladder certified. We have informed our regular contractors about this at an early stage and have spent much effort on monitoring in order to check whether this was in order before 1 January 2022. With this decision, we are using our influence to increase safety in the chain.

**THROUGH  
DIGITALISATION  
WE INCORPORATE  
SECURITY IN THE  
DESIGN PHASE**

# STRATEGIC PRIORITY CLIENT, MARKET AND SOCIETY



In order to deliver maximum value to our customers and society, we choose projects that will enable us to achieve the most in that respect. We look for opportunities in the most profitable markets and segments. We are also adapting our organisation to be more agile and to broaden our proposition in the field of electrical and mechanical technology.

## Customer focus

The prominent role given to our customer and market approach throughout the organisation is necessary in order to be able to respond in a timely manner to constantly changing demand. The construction and infrastructure sectors have changed rapidly under the influence of demographic and political developments, the Covid-19 pandemic, the economic situation and, last but not least, increasing attention for the climate. By investing in sustainability and digitalisation, we are better able to translate customer demand into a complete construction project. We want our customers to be satisfied throughout the various phases, all the way to completion. We measure the customer satisfaction of our business customers by customer loyalty based on the Net Promoter Score (European variant). The table below presents the resulting scores.

Our target for 2021 was a Net Promoter Score (NPS) of over 75. Both divisions achieved their goals. We are proud of this score, but remain critical and will make efforts to increase the response rate further.

For private house buyers, we use the American version of the NPS. Our goal was to achieve a score above 25. With a score of over 40, we achieved this by a wide margin. As we have found that it is difficult to conduct a sufficiently representative survey for private customers, we will investigate other methods of monitoring the satisfaction of this group in 2022.

## Comprehensive design

In comprehensive design, we incorporate the context of the project in the process and in the solution. The context is provided by the environment, the sustainability requirements and, above all, the stakeholders involved, such as the users of a building and local residents in the vicinity of an infrastructure project. Comprehensive design requires close cooperation between, for example, concrete constructors, ecologists, landscape architects and system designers. Comprehensive design is crucial for solving major issues, such as climate change mitigation and adaptation.

A practical example is the Ooijen-Wanssum dyke project. After the floods in 1993 and 1995, it was decided to reinforce this dike. However, the client realised that a better solution would be achieved by making the project more comprehensive, combining it with area development, additional infrastructure, and nature development. We integrated the ring road around Wanssum into the design and restored an old branch of the Meuse to give the river more room. The process involved close cooperation with the surrounding area and landscape architects and ecologists. It has become a successful solution that has won several awards for its comprehensive approach.

CUSTOMER LOYALTY NET PROMOTER SCORE (EU) - BUSINESS TO BUSINESS	REALISATION 2021	TARGET 2021	REALISATION 2020	RESPONSE 2021	RESPONSE 2020
CONSTRUCTION AND PROPERTY DIVISION	93	75	69	78%	63%
INFRA DIVISION	88	75	88	39%	49%

# Comprehensive design is crucial to solving big issues

## Environmental management

A feature of infrastructure projects is growing involvement of citizens, as for example in the planned widening of the A27 at Amelisweerd or the protests against wind turbines on land. Securing support for such projects is vital. The interests of stakeholders must therefore be respected in the process. At Dura Vermeer, strategic environmental management is part of comprehensive design and therefore this department is part of the design organisation. The topic extends all the way to the implementation, for example by limiting nuisance for local residents and keeping the area accessible.

We see strategic environmental management as an opportunity for projects that we design ourselves, especially if we are involved at an early stage. This calls for different competences than construction companies are used to, and because Dura Vermeer is a design-and-build company, we have come a long way in this. This gives us added value for clients, especially as the importance of this approach continues to grow.

## Health and well-being of users

We always build for the benefit of users. In doing so, Dura Vermeer influences their living environment and, consequently, their health and well-being. In this context, Dura Vermeer has developed a comprehensive vision to take into account the effect of the built environment on people during the construction phase and in the long term. We call this vision Het Goede Doen [Doing the Right

Thing]. In Zwolle, we are developing the Hart van Stadshagen district on the basis of this philosophy in tandem with various parties and with participation from the local residents. In addition, under the banner The Good Life, we have taken the initiative with 50 companies to make buildings, services and environments more sustainable and healthier, and to investigate how this can positively affect people's behaviour. In this initiative, the green living environment and the happiness and health of people are paramount. We are applying this in the Fruitmeester district in Beverwijk, where four neighbourhoods with a village feel are being built with a horticultural character.

## Second in Cobouw Reputation Monitor

In 2021, Cobouw and USP conducted the first ever reputation survey among the 50 largest construction companies, the Cobouw50. We are proud to announce that we came second. We owe this to various efforts, such as for our core value of safety, which Dura Vermeer along with one other construction company has placed at the top of its agenda. Our strategic priority of innovation also scored high. Dura Vermeer was most strongly associated with this, along with three other construction companies. Dura Vermeer's policy objective to be an attractive employer is also recognised and acknowledged in the market. This is partly due to the career opportunities for men as well as women, which are the greatest at Dura Vermeer and at three other construction companies.





# STRATEGIC PRIORITY SUSTAINABILITY, DIGITALISATION, INNOVATION

A key priority in our strategy is to invest in sustainability, digitalisation and innovation. We make these investments in order to be in the forefront of our sector on these crucial topics for the future of the Netherlands. The topics are closely intertwined: with innovation, we achieve better processes and speed up our sustainable and digital ambitions.

## SUSTAINABILITY OFFERS OPPORTUNITIES FOR BUILDERS WHO CAN INNOVATE

International agreements such as the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs) have given rise to many initiatives, ambitious targets and new regulations. As a result, investment in sustainability and the energy transition is rising. It is challenging for the industry to find new directions, but it offers huge opportunities for builders who can innovate. We are convinced that there will be room for new earning models at the intersection of digitalisation, technology and sustainability. That is why we always evaluate innovations in these areas in conjunction with each other.

### Sustainability

The construction industry's environmental impact is considerable: in the Netherlands, it accounts for 50% of the consumption of raw materials, 40% of energy consumption and 35% of CO<sub>2</sub> emissions. Building also has an impact on nature through land use and local emissions. This means that there are huge opportunities for improvement in environmental terms. We have a responsibility in this regard. Dura Vermeer's ambition is to play an important role in making the construction industry more sustainable. We want to reduce our emissions (CO<sub>2</sub>, nitrogen and other harmful gases) to zero. We design and build taking future use into account, preferably by using renewable raw materials. Projects are designed and built in such a way that they contribute to local biodiversity and nature values. We constantly benchmark our operations against these goals and seek cooperation with chain partners and clients to achieve them.

Dura Vermeer is ISO 14001 certified and has drawn up an environmental policy and implemented an environmental management system. In doing so, we are improving our environmental performance, meeting compliance obligations and working towards achieving environmental goals.

Even if our clients do not ask for an Environmental Cost Indicator (ECI) calculation, Dura Vermeer makes CO<sub>2</sub> and circularity calculations for all infrastructure projects. This gives us insight into which types of projects or operations have the highest environmental impact and which sustainability measures have the greatest effect. In the Construction and Property Division we measure the Environmental Performance of Buildings (EPB), and strive to improve it continuously.

#### Towards zero emissions

Our goal is to reduce greenhouse gas emissions to zero. This applies to our own emissions as well as to those in our chain.

**Greenhouse Gas Protocol and CO<sub>2</sub> Performance Ladder**  
We use the Greenhouse Gas Protocol to reduce CO<sub>2</sub> emissions. For Scope 1 and 2, this mainly concerns less use of fossil energy in our offices, our fleet and our equipment. Scope 3 emissions refer to the emissions during the life cycle of the building materials and equipment we use. We have mapped the emissions of the most important material flows: concrete, asphalt, steel, granulate, sand and soil, stone chippings and bricks.

Understanding our CO<sub>2</sub> emissions creates opportunities for reducing energy consumption and CO<sub>2</sub> emissions. It is important to do this together and to involve everyone: from the building site all the way to management. We have applied the CO<sub>2</sub> Performance Ladder since 2010. Dura Vermeer is at Level 5 in the CO<sub>2</sub> Performance Ladder, the highest level achievable. Every six months we calculate our footprint and communicate it internally and externally.

#### Reduction of scope 1 and 2 CO<sub>2</sub> emissions: offices, lease cars and equipment

Dura Vermeer's absolute CO<sub>2</sub> emissions in scope 1 and scope 2 in 2021 were 22,877 tonnes (2020: 23,753 tonnes). In the calculation of the CO<sub>2</sub> emissions in scope 1, we used an estimate of gas consumption for the month of December based on the consumption in the first eleven months. A reduction of 14% per euro of turnover has been achieved compared to 2020. Our lease car fleet and our asphalt plants are the largest contributors to CO<sub>2</sub> emissions in scope 1 and 2, with 56% and 33% respectively (based on 2021 figures).

The reduction is the result of various initiatives.

By 2021, we will have further expanded our electric lease car fleet. By year-end 2021, 19% were electric and 9% hybrids; in 2020 these figures were 10% and 8% respectively. So we have more than achieved our 15% target for 2021. In 2021, four out of ten employees chose an electric car. We encourage and facilitate this by, for example by providing adequate charging facilities. Our policy is to get out of diesel completely. In 2021, the number of diesel cars decreased by 29%.

Furthermore, we invested heavily in emission-free equipment in 2021. Of the investment budget where there is a choice between conventional and sustainable, 62% was used for the purchase of electrically powered equipment. The biggest investment was an electric asphalt laying equipment set, consisting of a large finishing machine, three rollers and an electric spray unit. In 2021, an order was issued to electrify a small asphalt equipment set for urban work. We expect to bring these asphalt sets into operation in 2022. The Infra Division's Build & Drive Emission-Free strategic acceleration programme has played a major role in this.

Dura Vermeer's ambition is to purchase 100% of the electricity used on its projects and in its offices from green sources. We purchase electricity centrally through Eneco. This electricity is 100% renewable energy from Hollandse Wind. The power is used for the projects and offices that we manage ourselves and where we can choose the power contract. For the power consumption where we are not, such as premises and locations that we rent including power supply and the home or public charging sessions of electric cars, we do not know whether green power is used. In 2021, this was about 1 million kWh. We have subsequently greened this power by means of Hollandse Wind certificates. Ultimately, we want to move towards a situation where 100% of the electricity we use is already green at source. In the coming year, we will examine in more detail what we need to do to achieve this.

The effects of our efforts to reduce CO<sub>2</sub> emissions from our own asphalt plants through the use of fossil energy must always be assessed in conjunction with the effects of our efforts to increase the percentage of recycled asphalt. Reusing asphalt involves a higher use of fossil energy because higher temperatures are required, but results in a much greater reduction in the overall asphalt chain through savings on raw materials and transport, among other things. In 2021, CO<sub>2</sub> emissions from our own asphalt plants decreased, but CO<sub>2</sub> emissions per tonne of asphalt produced increased by 8.6%, while our target was a 15% decrease. The cause for this was that production was lower than planned. At lower production quantities, production is relatively inefficient in terms of energy use. This results in higher energy consumption and higher CO<sub>2</sub> emissions per tonne of asphalt produced.

Dura Vermeer Groep	REALISATION 2021	TARGET 2021	REALISATION 2020
PERCENTAGE OF VEHICLE FLEET THAT IS ELECTRIC (SCOPE 2)	19.3%	15.0%	10.4%
INVESTMENTS IN SUSTAINABLE EQUIPMENT	62%	20%	n/a



Zeewolde Wind Farm June 2021

**Reduction of CO<sub>2</sub> emissions scope 3**

As a project organisation, we aim for CO<sub>2</sub> reduction per euro of turnover. Since 2018, we have been calculating the CO<sub>2</sub> emissions of our Infra Division projects. In 2021, all projects were calculated and a 25.6% reduction was achieved compared to 2018. We exceeded our target of 15% reduction. For the Construction and Property Division, we are developing a method to more accurately determine the CO<sub>2</sub> emissions of our projects.

Because Dura Vermeer wants to make great strides in reducing its CO<sub>2</sub> footprint, we have identified the activities that lead to the greatest pollution (i.e. the highest CO<sub>2</sub> emissions). These are the use of concrete, construction logistics and the production of asphalt. Subsequently, various initiatives have been implemented to reduce these emissions.

Important initiatives that have contributed to the reduction were increased use of sustainable materials where possible, reuse of materials where possible and limiting dehumidifying of construction projects by heating. In 2021, we limited this kind of heating to two projects.

By signing the Concrete Agreement, Dura Vermeer has committed itself to making concrete more sustainable. We are also increasingly building in timber instead of concrete. With regard to construction logistics, we participate in the Top Consortium Knowledge and Innovation, a key source for innovation in construction logistics. In cooperation with knowledge partners such as TNO, TU Delft and the universities of applied sciences of Amsterdam, Utrecht and Rotterdam, 'living lab construction projects' are being realised to improve construction logistics. We also launched the Urban Miner, a circular hub, in March 2021, significantly reducing the number of transport movements.

Through zero-energy building we can contribute to reducing energy consumption and the associated CO<sub>2</sub> emissions in the use phase of our buildings. Since 1 January 2021, all new buildings must meet the BENG (Nearly Zero-Energy Building) requirements set out in the Buildings Decree. In addition, we proactively offer energy-neutral variants to clients. As of 2022, we will do this for all projects. And by 2030, all our newly developed homes will be completely energy-neutral.

**Reuse? As often as possible!**

It is our ambition to design and build in a circular way and to recover materials. We want to build with renewable raw materials or raw materials that are already in circulation.

By reusing materials, we are reducing raw material scarcity and at the same time working on lowering CO<sub>2</sub> emissions in the chain. Additionally, scarcity also means that materials and raw materials are not always available on time or only at a higher price. This threatens the continuity and lead times of our projects.

**Dura Vermeer Urban Miner**

In March, we launched the Urban Miner in the Rotterdam region, a circular construction hub. Here, used building materials and components are stored and processed for a new life, either with Dura Vermeer or with external clients. The aim is to apply components as far as possible directly and completely, the highest quality form of reuse. For this purpose, designs are adapted to available components. Urban Miner also processes demolition material into high-quality new raw materials. This is done in our social workshop. Properties scheduled for demolition are digitally surveyed, after which Urban Miner supervises the demolition and harvests materials for reuse. The introduction of Urban Miner reduces the number of transport movements. From the company's own quay, inner-city logistics are run electrically, and transport by ship relieves congestion in the surrounding road network.

**Timber construction**

In the Construction and Property Development Division, we are increasingly using timber for building rather than concrete. For this purpose, we have partnered with specialists to start up a timber network. After running pilot projects, we are setting new standards for further scaling up. Our goal is to carry out one timber construction project per € 60 million turnover. By 2030, we want 20% of the homes we develop to be timber-built. In 2021, we started five timber construction projects and five are in preparation.

By working with timber from sustainably managed forests, Dura Vermeer wants to encourage better forest management. We consider it important that the origin of the timber is proved through credible, independent Chain of Custody certification based on internationally agreed

requirements and standards. In this context, we recognise PEFC, FSC and quality marks based on equivalent principles as evidence of proven origin from sustainably managed forests.

**Modular construction**

One of Dura Vermeer's own initiatives is the PCS (Pre-Choice System) circular residential construction concept. This means building with standard modules produced with sustainable or more sustainable materials. Apart from the fact that we can complete a structure quickly, the circular advantage is that modules can be disassembled and reused.

**New business models: De Circulaire Weg**

Dura Vermeer is the initiator of De Circulaire Weg, in which we, together with Delft University of Technology, three provinces, three municipalities, the Nederlandse Waterschapsbank and ABN AMRO, are setting up the Sustainable-as-a-service business model, in which we retain ownership of the raw materials. It is a total solution based on circular products, specific to the project in question, in which we take into account local needs and the features of a site.

**Measuring the circularity of projects**

Our goal for 2021 was to measure the circularity of all Dura Vermeer Infra Division projects with a turnover of more than € 5 million. This has been successful. Based on the measurements, we have identified a number of points for improvement.

**Circular materials**

Together with Rijkswaterstaat, we started investigating the Asphalt Recycling Train (ART) during maintenance work on the A73 between Boxmeer and Venray. This machine removes the asphalt on-site, recycles it and reuses it. The ART thus avoids the use of primary raw materials and transport movements.

For our own asphalt plants and all asphalt plants in which Dura Vermeer participates, we measure the ratio of secondary raw materials used in the total tonnage of asphalt produced.

The ratio of secondary input for asphalt is currently still limited, because secondary input has to be heated to higher temperatures, which leads to higher energy consumption and emissions.

Dura Vermeer Groep	REALISATION 2021	TARGET 2021	REALISATION 2020
<b>AVERAGE PARTIAL RECYCLING (PR) OF ASPHALT</b>	44%	53%	48%

Together with TU Delft and the province of North Holland and six municipalities, we are developing Ecopave XL: epoxy asphalt that lasts twice as long and is produced at lower temperatures. This will save maintenance, primary raw materials and CO<sub>2</sub> emissions.

In October, we signed a contract for a circular viaduct prototype jointly with Royal HaskoningDHV, Vlasman and Haitsma Beton. Precast beams for viaducts can last at least 100 years, but after a few decades they are crushed into concrete debris, although they can be reused after recertification.

#### *Perrons op Norm [Platforms to Standard]*

In Perrons op Norm, Dura Vermeer adapts train platforms to European standards so that train passengers, including those with disabilities, can board and alight trains more easily. One of the places where we are doing this is Hoensbroek, where we work with circular platform retaining walls, which are also made using renewable energy. We also lay pavement stones that are 85.7% circular, and use electric machines for the work.

#### *Green Deal Circular Purchasing*

In the context of the Green Deal on Circular Purchasing, Dura Vermeer maintains active contact with chain partners to put CSR actions into practice. In this, Dura Vermeer focuses on:

- 1) reducing CO<sub>2</sub> emissions and saving energy;
- 2) waste reduction, prevention and reuse;
- 3) raw material consumption reduction and prevention and reuse of raw materials.

The ambitions are made specific for each partner. Overall, we are setting the sustainable and circular ambitions for high-impact product groups. This target will be achieved for 15 product groups by 2021. In 2022, we will expand the target to 25 product groups.

More on sustainable purchasing can be found in Chapter 4, [Conduct and integrity](#).

#### *Office and project waste reduction*

Dura Vermeer works continuously to reduce waste streams. The biggest waste streams are related to our projects. For our offices, we achieved a 6.2% reduction in 2021, slightly above the 5% target.

The less construction waste we produce, the more we fully (re)use. We reduced the amount of waste disposed of by Renewi per euro of turnover by 3.7% compared with 2020, to 0.016 tonnes per million euros of turnover. The total amount of waste in 2021 was 26,777 tonnes, over 80% of which consisted of rubble and construction and demolition waste.

#### **Greener and healthier**

By taking the environment into account in our construction projects, we strive to have a positive impact on the natural and sustainable living environment and ensure that it is prepared for the challenges of the future.

Greener and healthier construction is necessary to restore biodiversity and reduce the effects of climate change such as heat stress and flooding. By building in a climate-adaptive and nature-inclusive way, our projects contribute to the recovery of biodiversity and ecosystems. The health of the residents and users is also an important factor in this topic: a green environment demonstrably contributes to the well-being and health of people. For more on this, see [Health and well-being of users](#).

#### *Climate-adaptive and nature-inclusive*

Together with 35 parties in Zuid-Holland, Dura Vermeer signed the 'Climate-Adaptive Building' covenant in 2018. The design principles for climate-adaptive building contain ideas that lead to less flooding and heat stress, less damage caused by prolonged drought and subsidence, and enhanced biodiversity. A building is nature-inclusive if it forms part of and adds something to the ecosystem in which it is located, for example for the preservation and enhancement of biodiversity. There are all kinds of ways to adapt the design, working methods or materials to make a building nature-inclusive. Additions such as integrated nesting boxes for birds and bats, green roofs and exterior wall plants also help.

In our own developments, we apply the principles of climate adaptation and nature-inclusive building as much as possible.



#### **Digitalisation**

Dura Vermeer wants to be at the forefront of the digitalisation and innovation of the construction industry. The digital transformation is set to change the industry profoundly. This development is driven by three forces: the ever-growing expectations of customers, new technological possibilities and continued pressure on margins.

Technology helps us to work more efficiently and to lower costs, but also to better respond to customers' expectations and wishes and to collaborate more easily. It also offers opportunities for working more safely and sustainably.

Our digitalisation policy is focused both on the use of technology, such as sensors and drones, smart use of data, robotisation and artificial intelligence, in the primary construction process and on improving our business operations. We are also looking at the potential of technology to develop new products and services and new business models.

#### **Digitalisation in the primary construction process** *Standardisation*

We are developing new user-friendly standardised processes and investing in training our people. Standardisation (through Flow and De Standaard) is a prerequisite for capitalising on the opportunities offered by digitisation and data. At the same time, we continue to think in terms of unique tasks. This makes us agile and enables us to work more efficiently and to work together as a network organisation in different locations simultaneously. Digitalisation helps us in our role as a director in the chain.

#### *Digital construction*

The development of digital tools and platforms in the construction industry is booming and offers good opportunities. For example, we first construct a building completely in 3D in the Building Information Model (BIM). Before actual construction even starts, the customer can walk around in it virtually with the aid of VR glasses and suggest adjustments where necessary.

At the construction site, we use digital 2D drawings generated by the 3D model. This is proving a highly successful method. Because this new method mainly concerns the preparations for the construction, the outside world does not notice the extent to which digitalisation has already penetrated in the construction industry.

In infrastructure projects, we can visualise the progress of a project by linking our 3D designs to a plan (4D BIM) and making this into a film, for example. We use this kind of visualisation both for the client and at the construction site. It enables us to visualise the planned progress of the project and the materials used, and gives the client, stakeholders and the team a good, predictable picture of the infrastructure project to be built in the surrounding area. This allows us for example to quickly replace materials by more sustainable ones. We did this, for example, in the bicycle tunnel under Legmeerdijk, where during the actual construction process we opted to use timber instead of concrete. Visualisation was also used in the tender for the renovation of the Heinenoord Tunnel. This tunnel can only be closed for a very limited time, and partly because we visually demonstrated that the schedule was feasible, Dura Vermeer was commissioned to execute this project with two partners.

#### *Experimentation*

In our Utrecht office, digital applications have been developed for a healthy working environment, such as the ideal temperature, humidity, CO<sub>2</sub> and other variables that influence performance. We can use the experience gained also in residential construction. On the BRControls platform, we have *we build performance* software available with which we can measure and influence the 'smartness' of a building in these respects.

#### **Digital products and services**

##### *Improving customer satisfaction*

We improve customer satisfaction by using digital solutions and data. To this end, we are continuously working on improving the 'customer journey'.

Dura Vermeer Groep

**% PROJECT WASTE REDUCTION PER EURO OF TURNOVER**

	REALISATION 2021	TARGET 2021	REALISATION 2020
% PROJECT WASTE REDUCTION PER EURO OF TURNOVER	3.7%	5%	1.9%



# We intend to speed up innovation by participating in an ecosystem of innovative players and start-ups

Dura Vermeer Innovation Award 2021

At social housing corporations, the degree of acceptance of refurbishment among residents has risen sharply thanks to the insight that digital models give residents and users. Pilot studies have demonstrated this. In the case of refurbishment of more than ten homes, the law stipulates that 70% of the residents must agree to the refurbishment plans, and where this percentage used to hover around 70%, this application raises it to 90%.

For after-care in residential construction, we can now offer service and maintenance for seven years after completion. Customers can make digital reports to the supplier. We keep track of customer experiences on a dashboard, which enables us to meet customer needs ever better.

#### *New services and earning models*

We use online channels to surprise customers and create customer loyalty. In this context we have developed our first online shop for private customers: [asfaltwinkel.nl](https://www.asfaltwinkel.nl), with excellent results in the first year. At the end of 2021, we introduced Lou, our virtual construction employee. Lou takes people on a journey of digital subjects via LinkedIn and Instagram.

Covid-19 has taken digital working to previously unimaginable heights. At the same time, due to the Covid-19 pandemic, some activities could not take place, such as training sessions in rooms, which made learning to use applications more difficult. Using digitalisation to make

our work easier and faster also requires a new approach and cooperation with colleagues from other teams. This approach is based on the question: What is the problem we have to solve for our customers or colleagues? We work together as a team with different specialities, we measure value and satisfaction and don't stop until our problem is actually solved.

#### **Digital sustainability**

The positive impact of digitalisation on sustainability can be observed at various points in the construction process, where with the help of digitisation, we can use more sustainable materials or reduce car mileage. The latter is done, for example, by digital measuring. It also makes the implementation more predictable. Another example of digital sustainability is the first version of the ECI ('environmental cost indicator') app that allows us to easily calculate the ECI of a basic asphalt mixture. Based on need and value per product, we will expand this app to other ECI calculations. The app speeds up our calculations to such an extent that there is more time to make projects sustainable in the tender phase.

Digitisation also makes an important contribution to safety in the construction process (see [Safe and healthy construction](#)).

#### **Sharing knowledge**

this reason, we want to help our partners and suppliers gain more knowledge. At present, we are only training our own people, but from 2023 we want to expand training to the chain.

#### **Innovation**

##### **The need to innovate**

Innovation is a strategic topic for Dura Vermeer. Investing in innovation is vital for several reasons. Market demand is becoming ever more technically complex. Also, projects in construction and infrastructure often involve requirements in terms of sustainability, safety and circularity. Such complex projects call for innovative solutions, simply because this is necessary in order to keep up with demand. So we need to innovate in order to build smarter, create maximum value through smart and sustainable use of materials and use sensors and algorithms to predict maintenance requirements. This is only possible by embracing innovation.

##### **Our method**

Innovation is important for the continuity of our business. Dura Vermeer is aiming for a position among the top innovators in the construction industry. We consider innovation both as a method of achieving ever better processes and working methods, but also as an accelerator of our sustainable and digital ambitions. We want to help give direction to all the changes that the construction industry is undergoing. To realise this, we are working together with customers, employees, suppliers, subcontractors and partners: we need our entire 'ecosystem' to come up with innovative solutions. New products, services and earning models are emerging at the intersection of digitisation, sustainability and technology. We want to speed up innovation by participating in an ecosystem of small, innovative players and start-ups. Many new companies are developing new sustainable and/or circular building materials or are helping to further digitalise construction. We also achieve ecosystem innovation by inspiring people internally and driving innovation culture, looking carefully at what the market wants.

#### **NEXT**

We distinguish ourselves with our investments in entrepreneurship and in an ecosystem of young innovative companies with which we build across sectors. This is what we do in our business unit NEXT. In it, we broaden our knowledge of trends and of technological and social developments, and bring in innovation from outside the industry. From NEXT, we invest in start-ups, such as a drone company for maintenance of oil storage units, and investigate how we can introduce that technology into construction. We are also investing in parking solutions. This contributes to our range of comprehensive solutions for clients.

Previously, NEXT existed only within the Infra Division, but in 2021 we established NEXT Construction and Property to introduce this successful method there as well. We want to strengthen the NEXT portfolio with three to four companies a year.

##### *Innovation ambassadors*

Within our divisions, we have a network of innovation ambassadors on the shop floor. They are our eyes and ears in the company. Through them, we hear what the customer needs and what is happening in practice. This is extremely valuable because this enables us to respond immediately.

##### *Dura Vermeer Innovation Award*

There are many excellent innovative ideas within the company, and our Dura Vermeer Innovation Award helps bring them into the open. In the autumn of 2021, all colleagues could again submit ideas to the Innovation Platform. There were four themes: Smarter Building, Zero Emissions, Circularity, and Data and Algorithms. There were 236 entries from across the company, almost twice as many as the previous round in 2019. All ideas are tested, and winning and promising ideas are followed up.

##### *Creating value through innovation*

We do not invest in innovations that are not sustainable. That is a hard requirement. After all, we are investing in the future; that is how we create value for our clients. We cannot invest in everything, but we can offer companies in which we do not invest a platform, for example by acting as a launching customer.

# STRATEGIC PRIORITY FINANCIAL RESULT



In spite of the Covid-19 pandemic and the nitrogen problem, 2021 was again a successful year for Dura Vermeer. All the operating companies contributed positively to the results and, despite significant challenges, scheduled work increased. In order to realise our ambitions in the field of sustainability and in order to be able to innovate, we continue to aim for higher margins rather than purely volume. Operational excellence and cost reduction are essential: we streamline work processes and reduce failure costs.

## Operational excellence

At Dura Vermeer, we define operational excellence as adding customer value by delivering quality, eliminating waste and being a reliable and predictable partner. We do this by standardising and continuously improving processes and working methods. Adding customer value is the starting point for operational excellence, but it also adds value to Dura Vermeer itself: it stimulates us, enhances our stability and helps us to achieve more targets. Ultimately, this again adds customer value.

Dura Vermeer has embedded operational excellence in its corporate culture. The improvement culture is intrinsically driven, which means that Dura Vermeer does not focus on short-term results, but on the long term. As a result, the benefits of the improvements may take longer to materialise, but the working methods become more deeply rooted in the organisation and eventually generate more lasting (customer) benefits throughout the organisation. In order to realise this culture, it is necessary for employees to adopt behaviour that fosters operational excellence, for which personal leadership is vital.

## Operating income, result and scheduled work

In 2021, both our operating income and net income increased. Operating income increased by 12% to over € 1.6 billion (2020: € 1.4 billion). Our net income increased by 26% to € 52.4 million. This means that our net margin also improved further. A net margin of 3.3% was achieved for 2021 (2020: 2.9%).

### Operating income

The distribution of revenue by type of activity is shown in the table below.

Our residential construction activities have made a major contribution to the increase in operating income, with revenue growth of 51% in 2021. In 2021, the Construction and Property Division completed 3,420 homes, up from 2,777 in 2020.

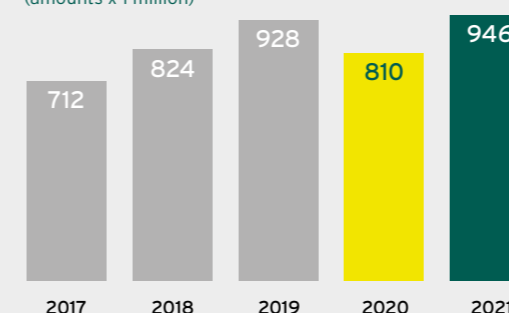
In our own development activities, we have been hampered by complex and delayed permit procedures. Partly as a result of this, the number of homes sold (ground-level and apartments) developed by Dura Vermeer fell from 1,345 in 2020 to 1,105 in 2021.

In 2021, operating income from our non-residential construction activities was 33% lower compared to 2020, mainly because we had fewer large-scale projects in our portfolio. On balance, the Construction and Property Division showed 16.8% operating income growth in 2021.

(Amounts x € 1 million)	2021	2020
Residential construction	726	480
Non-residential construction	220	330
Infrastructure	663	626
Other	2	1
<b>Total operating income</b>	<b>1,611</b>	<b>1,437</b>

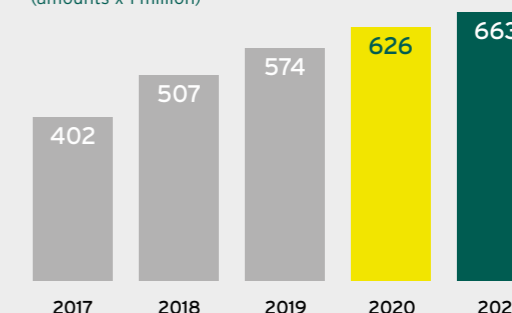
## OPERATING INCOME CONSTRUCTION AND PROPERTY

(amounts x 1 million)



## OPERATING INCOME INFRA

(amounts x 1 million)



Initially, there was concern about the development of our infrastructure activities in 2021 due to a contraction in market volume caused by the limited number of large tenders and delays in medium and large-scale projects. This was due to the lack of clarity in the market, including related to nitrogen, the ongoing discussion on contract forms and the financial uncertainties of local and regional authorities as a result of the Covid-19 pandemic.

Nevertheless, our Infra Division also had a good year. The division's operating income rose by 6%. The composition of the operating income of our Infra Division is changing. The role of mobility (new construction) is receding. At the same time, we are acquiring more and more work in the field of replacement and refurbishment (bridges and locks), orders in the water segment (e.g. as part of the Flood Protection Programme) and orders in the energy segment (such as foundations for wind turbines). Because we are increasingly acquiring work in other segments, we are becoming less dependent on public clients.

### Result

The profit after taxes for 2021 came to € 52.4 million and can be broken down as follows:

The increase in the net result had several causes, both external and internal. Most important was the attention we have paid to project management in recent years (e.g. contract management). We are increasingly able to identify deviations from the plan or errors early on (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.

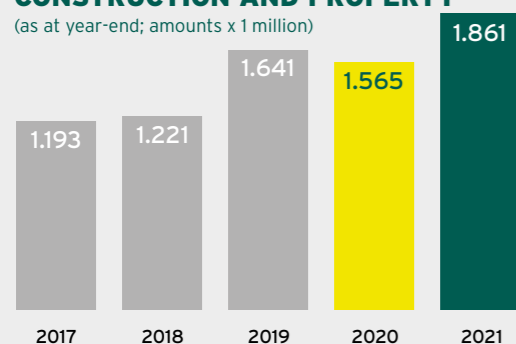
### Scheduled work

The order book (work still to be carried out and newly acquired work) increased by 12% in 2021 to € 2.8 billion (2020: € 2.5 billion). When accepting new contracts, Dura Vermeer focuses on projects that strike a responsible balance between risk and return. Of the total order book at year-end 2021, approximately € 1.4 billion is expected to be executed in 2022. This covers 87% of the budgeted operating income for 2022. At year-end 2020, this was 88% for 2021. The remainder of the order book will be executed in 2023 or later.

(Amounts x € 1 million)	2021	2020
Operating result before depreciation and amortisation (EBITDA)	79.1	63.8
Depreciation and amortisation	-15.0	-12.8
<b>Earnings before interest and taxes (EBIT)</b>	<b>64.1</b>	<b>51.0</b>
Net interest income	-1.6	-1.3
Profit (loss) from equity interests	5.9	4.6
Taxes	-16.0	-12.8
<b>Profit (loss) after taxes</b>	<b>52.4</b>	<b>41.5</b>

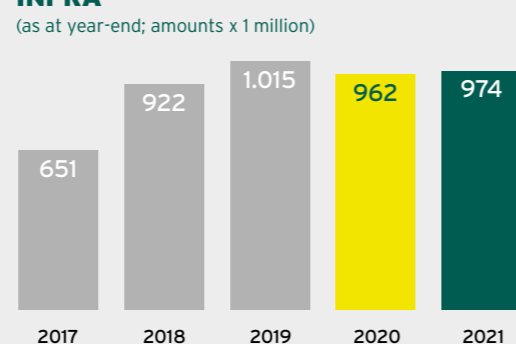
## SCHEDULED WORK CONSTRUCTION AND PROPERTY

(as at year-end; amounts x 1 million)



## SCHEDULED WORK INFRA

(as at year-end; amounts x 1 million)



## Balance sheet

Dura Vermeer's financial position remained strong, with a solvency ratio based on equity of 33.0% (2020: 33.0%).

The balance sheet total increased by € 60.6 million to € 676.3 million at year-end 2021 (2020: € 615.7 million). The balance of cash and cash equivalents increased by € 18.0 million to € 287.1 million, while the amount of interest-bearing debt decreased from € 9.0 million to an amount of € 4.1 million. The higher cash balance was mainly due, in addition to the result achieved in 2021, to higher (net) pre-financing of our projects.

Equity amounted to € 223.1 million at year-end 2021 (2020: € 203.4 million), an increase of € 19.7 million. This included a positive net result of € 52.4 million, the dividend payment for 2020 of € 16.6 million and the interim dividend payment for 2021 of € 16 million.

## Financing

At year-end 2021, Dura Vermeer Groep NV had a syndicated bank facility with three banks. This facility involves a Current Account Facility of € 50 million, a Revolving Property Project Facility of € 30 million and a Guarantee Facility of € 200 million. We had not drawn on the Current Account Facility and the Revolving Project Facility at year-end 2021. With regard to the Guarantee Facility, the banks had issued guarantees for an amount of € 75.5 million at year-end 2021 (year-end 2020: € 87.2 million).

Dura Vermeer has agreed solvency, leverage and interest coverage ratios with banks. We comfortably met these ratios by the end of 2021. In addition to financial ratios, it was also agreed in the facility, by means of a sustainability clause, that Dura Vermeer should make progress on non-financial aspects (people, the environment and society). An independent rating agency assesses the progress made annually on the basis of an extensive questionnaire. As in previous years, we expect to comply with the agreement in this respect as well.

BALANCE SHEET (Amounts x € 1 million)	2021	2020
Fixed assets	147.5	125.4
Current assets	241.7	221.3
Cash and cash equivalents	287.1	269.0
<b>Balance sheet total</b>	<b>676.3</b>	<b>615.7</b>
Current assets less current liabilities	122.0	116.9
<b>Equity</b>	<b>223.1</b>	<b>203.4</b>
<b>Solvency</b>	<b>33.0%</b>	<b>33.0%</b>

As security the bank syndicate has been granted a first and second mortgage on buildings and land for an amount of € 37.4 million (year-end 2020: 35,5 million) and further security has been provided, in particular in the form of trade receivables.

In addition to the banks, three mutual insurance associations have provided guarantee facilities totalling € 160 million (2020: € 160 million). At year-end 2021, guarantees totalling € 68.1 million had been issued by the mutual insurance associations (2020: € 59.2 million).

## Financial instruments

As part of its ordinary activities, Dura Vermeer makes use of a range of financial instruments that expose the company to credit, interest rate, cash flow, liquidity and market risks. Dura Vermeer holds no forward exchange contracts or interest rate or currency options, nor does it trade in these financial derivatives.

### 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 company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The trade receivables include no significant concentration of receivables in particular market sectors.

### 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, we have not concluded any derivative interest rate instruments.

### Liquidity risk

Dura Vermeer monitors its liquidity position with weekly liquidity forecasts. The management ensures that we at all times have sufficient liquidity to meet our obligations.

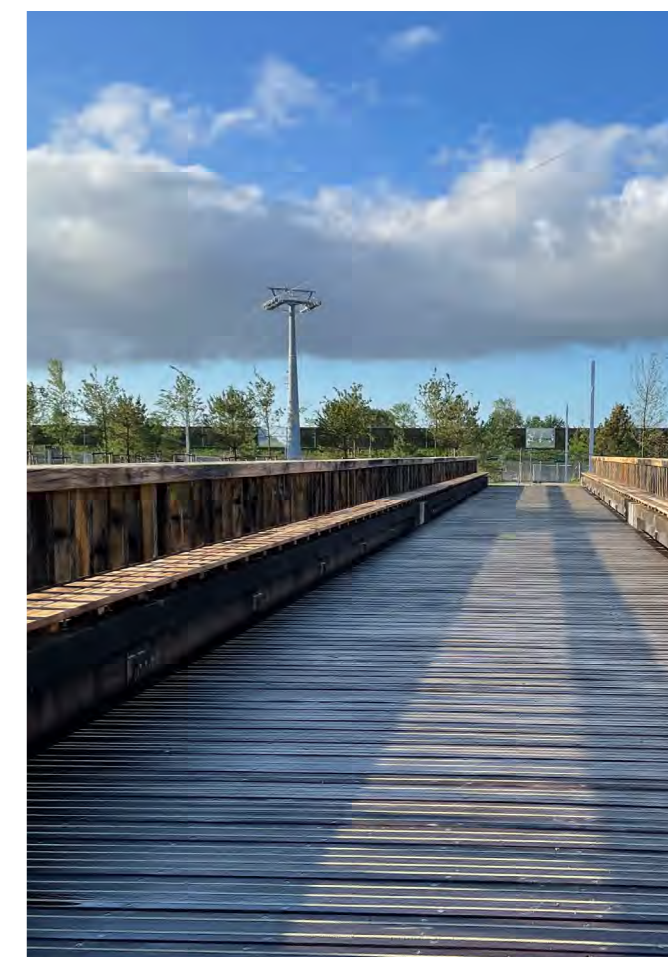
### Market risk

Market risk is the risk that the Dura Vermeer's revenue 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. We mitigate this risk by: 1) incorporating an indexation arrangement into the agreement for long-term projects and/or 2) agreeing prices and conditions with suppliers and subcontractors at an early stage.

## 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 is an important means by which we demonstrate that we adequately control our tax risks.



Second life bridge, Floriade



# OUTLOOK

We look forward to 2022 with confidence. Our order book is solid at € 2.8 billion. Most of the work for 2022 has already been secured. Based on current insights, we expect to achieve at least the same level of turnover in 2022 as we did in 2021. We expect a year in which we can achieve a good return despite rising purchasing and labour costs.

The coalition agreement of the Rutte IV government also gives Dura Vermeer many reasons for optimism in the somewhat longer term: the government is going to invest heavily in the development of new residential areas, both within and outside city limits. Every year, 100,000 new homes are to be built, two thirds of which must be affordable. From 2023, the landlord levy of € 1.7 billion per year for social housing corporations will be scrapped, creating room for investments in new buildings and in making the housing stock more sustainable. The Housing Incentive, established for municipalities in 2021, will be extended in 2022. This means an additional € 1 billion investment. In addition, in 2022 an amount of € 600 million will be allocated to the Housing Fund that will support the liveability of poorer neighbourhoods and make them more sustainable.

There are also good prospects for the infrastructure sector: the government is investing € 7.5 billion in infrastructure leading to the new residential areas. In addition, the government is allocating a considerable amount of money to maintenance backlogs and refurbishment of engineering structures. It has budgeted € 3.6 billion for this plus an additional € 1.25 billion annually. However, the market for new infrastructure projects currently presents fewer opportunities than residential construction. This is because although the government is setting aside money for the nitrogen problem, it will not do so until 2023 at the earliest. This is worrying because this money is actually necessary in the short term. Many plans that were halted in 2021 remain stalled, even in 2022. Apart from the nitrogen crisis, the government's budget shortage for maintenance and replacement also plays a role. However, we do see good opportunities for our Engineering Division in the development of residential areas, in public transport, in projects in the port, and in projects to support the energy transition.

Control of spatial policy, which will include both housing and infrastructure, will be in the hands of a new Minister of Housing and Spatial Planning who will make performance agreements with decentralised authorities on for example numbers of houses to be built and the location of development areas. We feel this is positive news. And we

feel the same way about the government's decision to promote industrial residential construction and circular, climate-proof and nature-inclusive construction.

Some of the downsides for the coming years are the scarcity of materials and the shortage of labour, and the associated price increases. Dura Vermeer would also like to see electrical construction equipment becoming available faster.

Investments in tangible fixed assets, other than property positions, will in the year ahead (if available) largely be aimed at the further electrification of our equipment and will otherwise be limited to replacement investments.

Our liquidity position is expected to remain good. We have a facility with the banks of € 80 million. As at year-end 2021 it was unused, but where necessary and desirable we will draw from the facility to finance or co-finance our own property development projects.

We expect that the number of employees will increase slightly.

In 2022, we will launch our new strategy, which has been given the title 'Leap Forward'. With this new strategy, we are focusing even more strongly on sustainability, digitalisation and innovation. These topics are important in our ambition to increase the efficiency of our construction processes, so that we can work faster, make fewer mistakes and offer more added value to our customers. Our plan to develop and build more residential housing at our own risk is perfectly in line with the government's plans. And in Dura Vermeer's new strategy, safety will remain our number one priority.

Rotterdam, 9 March 2022

#### Management Board

J. Dura, Chairman of the Management Board  
L. Barg, CFO  
R. Dielwart  
T. Winter



Management Board  
From left to right: Ronald Dielwart, Lowick Barg, Job Dura, Theo Winter



# GOVERNANCE

## RISK MANAGEMENT

Doing business involves risks. Like its industry partners, Dura Vermeer faces risks and uncertainties caused by both external and internal developments.

Of the external developments, the most striking was the outbreak of the Covid-19 pandemic. Other topical issues were increasing - and sometimes conflicting - regulations, including those concerning nitrogen and PFAS, the transition of the industry with an increasing focus on technology and digitalisation, the role of the industry in sustainability, scarcity of personnel and materials and cybercrime. Examples of internal developments were new initiatives and investments to keep up with the dynamics and rapid developments in the construction world and management's increasing need for data-driven control information. Following on from this, we see that the risk landscape is becoming more volatile. Risks have become more complex, are increasingly interconnected and when they occur, they have greater impact. In the Netherlands, we are seeing a growth in citizen involvement in social issues, e.g. pollution of the built environment, and the movement towards zero tolerance in society for errors in business management and the personal liability of directors.

All of these developments entail risks, and therefore have an impact on Dura Vermeer's risk profile and risk appetite. To control these risks and take advantage of opportunities, Dura Vermeer has set up a risk management process.

Our risk management contributes fully to the realisation of our strategic ambitions and goals and largely determines our company's success.

### Risk appetite and risk profile

Dura Vermeer operates at the top of the Dutch construction industry. That is why we are investing heavily in sustainability, digitalisation and innovation. These topics determine an important part of our strategic agenda, and - together with the complexity and comprehensive nature of our projects - they are what sets Dura Vermeer apart from the competition. The mutual interaction of these elements in individual projects largely determines our risk profile.

Here, too, projects are the common thread. 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 for new construction and renovation as well as infrastructure is multifaceted and challenging, and we carry out projects ranging from simple and small in size to large and complex. That is why we are constantly making new 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 each project, which includes a detailed risk analysis. Depending on the nature, size and risk profile of the project, these documents must be approved by the management of the business unit, of the division or the Management Board and/or Supervisory Board. In our view, a responsible balance between risk and return means that:

- the nature and size of the project should match the company's objectives and the required experience, capacity and expertise should be available;
- the client finances the project to be secured. If Dura Vermeer has to finance the project independently, as is the case in property development activities, the extent to which the project can be financed is 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;
- there should be no unlimited liability at project level, and risks should be insured where possible and appropriate;
- the project is profitable with a mark-up for profit and risk that is appropriate in relation to the associated risks and contract form; whereby projects with a sales risk should generate an above-average profit margin, taking into account the contribution of equity and the higher risk profile;
- if Dura Vermeer bears the risk in the development of residential and non-residential construction projects, at least 70% of the project must be sold or let before construction starts, the financing is secured and the project generates a positive cash flow upon completion;
- if a project is carried out through a building consortium, the resources contributed by each consortium partner should be proportionate to their financial contribution, and each partner should be proportionally exposed to risk.

Dura Vermeer continuously assesses its risks, risk profile and risk appetite, classifying risks into four categories: strategic, operational, financial and compliance/integrity. For this 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. It is updated annually, or in the interim if warranted by developments, by the Management Board and the divisional managements. The potential impact of risks is determined not only by the financial impact on the value of the company, but also by any negative impact on our surroundings (people, environment and society) and our reputation.

It should be noted that the above risks identified by Dura Vermeer are no different to those faced by our peers.

### Risk management

In order to identify and manage all possible risks in a timely manner, 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. The Management Board sets the boundaries and provides the resources, and is also responsible for the overarching risks at the level of Dura Vermeer Groep. The basis for our risk management system is the COSO ERM framework,

in which risk management in relation to projects forms the common thread.

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 following instruments, which are part of our planning and control cycle. We are currently working on the (further) integration of risk management into this cycle.

#### 1. Strategy

The Management Board periodically (annually) evaluates the company's course and discusses its findings with the Supervisory Board. Strategic frameworks are redefined once every three years, and subsequently developed into a strategy document with the help of the divisional managements and operating companies.

#### 2. Annual plan and budget

Based on the principles set annually by the Management Board, the operating companies and the divisions and group companies annually draw up an operational plan and a detailed budget for the year ahead. A summary of the budget is then entered into the consolidation programme. This summary has the same layout and level of detail as the periodic reports drawn up during the reporting year. After approval of the draft budget of the operating companies by the division and approval of the draft



### Risk manifestation 2021

The main risks Dura Vermeer faced in 2021 were the risks resulting from the nitrogen problem, lack of government capacity and budgets and the outbreak of the Covid-19 virus. The nitrogen problem has led to delays in permit procedures, delays in projects under construction and the drying up of Rijkswaterstaat's tender calendar. The shortfall in government budgets for infrastructure projects, caused mainly by the decentralisation of responsibilities in conjunction with the unexpected extra expenditure related to the Covid-19 virus, has also led to the postponement and cancellation of tenders. There was also a capacity issue: we have to deal with extensive spatial planning procedures that cause delays and there was often a shortage of officials to allow development of sites to go forward. These issues had a negative impact on the market volume and entailed considerable costs.

Furthermore, in 2021 we faced significant price increases of materials, especially steel, copper, timber and plastic-related products. In addition, energy prices have risen sharply. The latter, in turn, has a major effect on all products whose production involves high energy consumption, such as asphalt, concrete, bricks and cement. Dura Vermeer closely monitors developments and ensures, among other things, that the organisation is provided with the right information to take sufficient account of the price risk in its tenders (including advice on the indexation to be applied). The price increases are mainly the consequences of imbalances between supply and demand. Such imbalances leads to scarcity, which is ultimately even more challenging. We endeavour to mitigate this risk by working with regular partners and contractually recording purchases at an early stage.

budget by the Group, it is combined into a consolidated budget for Dura Vermeer Groep. This budget is submitted to the Supervisory Board for approval.

#### 3. Internal periodic reporting

Dura Vermeer has divided the year into 13 periods of 4 weeks. After the end of each period, the profit and loss account for the current financial year is updated in the consolidation program. On a quarterly basis, the reporting 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 NV. 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 NV 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 of the financial statements. In this confirmation, the Management Board acknowledges its responsibility for the fair presentation of the financial statements and states that it has provided all relevant information to the auditor. Just as the Management Board confirms this to the auditor, the management boards of the operating companies issue a similar statement to the Management Board.

RISK CATEGORY	RISK APPETITE	EXPLANATION
<b>STRATEGIC</b> e.g. economic downturn and changed market conditions, digitalisation, innovation and sustainability		To be successful, it is more important than ever to look outwards, to see opportunities and to profit from them, and to keep innovating in order to respond to new developments in the market and in society. To achieve this, we are prepared to accept low to medium risks.
<b>OPERATIONAL</b> e.g. project risks, security and cyber security		Projects are our core business, and we strive to fulfil the central management role in any project as the main contractor and/or developer. For this we are prepared to accept only low risks.
<b>FINANCIAL</b> e.g. credit risks, liquidity, solvency and the availability of bank guarantees		We have a strong financial basis. In order to maintain it, we are prepared to accept only low risks.
<b>COMPLIANCE/INTEGRITY</b> 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 risks.

#### RISK APPETITE



# CONDUCT AND INTEGRITY

Dura Vermeer has various codes of conduct and protocols in place to which its employees must adhere, including:

- an integrity code of conduct;
- an integrity reporting procedure;
- a protocol to counter aggression and violence;
- a protocol for protection against (sexual) harassment and to counter discrimination and bullying;
- an internet and email use code of conduct;
- a code of conduct for outside activities of members of the group management team;
- a code of conduct for contractors (suppliers and subcontractors).

These codes of conduct and protocols are published on the intranet and our employees are informed via e-learning.

## Integrity

We expect our employees to comply with the integrity code of conduct in their work. It describes how employees should conduct themselves in accordance with the core values of Dura Vermeer. Employees must also comply with legal, social and company regulations. The Compliance Officer supervises compliance with this.

We find it very important that our employees are able to report (suspected) abuses adequately and safely. This is why we have set up the Integrity Reporting Procedure that makes this possible for every Dura Vermeer employee. This procedure is open to all Dura Vermeer employees. Employees can report any suspicion of a violation of internal or external regulations to their manager or to the Integrity Confidential Advisor or the Compliance Officer. The procedure describes how the employee can make a report and how the report is followed up. Employees who make reports are guaranteed protection. Via Speak Up, employees can also make anonymous reports by telephone or online.

By abuses we mean a reasonable suspicion that a social interest is at stake, or that the reputation, integrity and business operations of the employer 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 these facts.

In 2021, there were three incidents where integrity was compromised. Two of these incidents involved hired employees. Immediate measures were taken, which included denial of access to the construction site and systems and discussions on guidelines for procuring hired employees.

## Laws and regulations

Complying with laws and regulations is of vital importance to Dura Vermeer and part and parcel of the way we work. Dura Vermeer is only active in the Netherlands. The risk appetite on this issue is zero. After all, these are risks that could harm our reputation. To ensure that we comply with all relevant laws and regulations, these risks are translated into policies and procedures for the relevant organisational units. Compliance with laws and regulations is also an integral part of our Enterprise Risk Management framework. The Management Board is responsible for compliance with all relevant laws and regulations. At Group level, we have a Head of Legal Affairs and corporate legal officers have been appointed in the divisions. They advise staff departments and operations on how to comply with laws and regulations. In 2021, no significant violations of laws and regulations occurred.

## Fraud

We carry out an annual internal risk analysis, which includes the topic 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 possibilities of fraud.

In 2021, three incidents took place. See the [Integrity](#) section for more information.

## Human rights and labour rights

Dura Vermeer is committed to diversity and inclusion, and showing mutual respect is part of the culture. Therefore, we have a strict policy in place to prevent undesirable conduct, such as discrimination. In the unlikely event that a situation arises in which we must investigate and intervene, employees (or colleague of such an employee)

can refer to the 'Protocol on (Sexual) Harassment, Discrimination and Bullying in the Workplace' and/or make a report to the Compliance Officer or one of Dura Vermeer's confidential advisors. It is also possible to make an anonymous report of suspected abuse through the 'Speak Up' app.

Dura Vermeer has an active employee participation body that works in good harmony with the employer to achieve good results for all parties concerned. Dura Vermeer is also represented in various consultations with industry associations, ensuring that the labour rights of our employees are guaranteed in the best possible way.

## Socially responsible procurement

We are committed to the effective abolition of child labour and the elimination of all forms of forced and compulsory labour. We do this by imposing strict requirements on our suppliers and contractors. We expect contractors to respect internationally proclaimed human rights, as defined in the United Nations Universal Declaration of Human Rights, and to comply with all international anti-discrimination legislation. In addition, in its Code of Conduct for Contractors and Suppliers, Dura Vermeer requires that they respect the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, among which the prohibition of forced labour and child labour. Furthermore, we require contractors to comply with the applicable general safety laws and regulations and the Safety & Health Plan applicable to the work, while retaining their own responsibility, with the aim of achieving zero accidents. These requirements are included in all our agreements.

## 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 implementing Dura Vermeer's data privacy policy in their daily business operations and have set up a Privacy Platform for this purpose. A Privacy Platform has also been established at Group level in which the privacy policies of the Group entities are discussed and established. There is no hierarchical relationship between the various Privacy Platforms.

A Privacy Officer has been appointed to implement, maintain and drive the privacy framework and associated products (including data privacy policies, statements and protocols). 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. Furthermore, the Privacy Officer is responsible for managing our privacy application Privacy Perfect and for tracking and handling data breaches. On the initiative of the Privacy Officer, Dura Vermeer annually checks the use of data privacy products by the divisions and their quality.

There were no data breaches in 2021 that Dura Vermeer should report to the Data Protection Authority on the basis of the requirements set out in the GDPR.

## Information security

Dura Vermeer is strongly focused on information security.

Responsibilities for implementation have been allocated at various 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 operation 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 and to handle them appropriately. To this end, employees receive training and we endeavour to improve awareness.

Dura Vermeer operates an information security management system based on the ISO 27001 framework of standards. 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. In 2021, we achieved ISO 27001 certification for the first time.

Despite all our efforts, a cyber attack occurred at one of our affiliates in 2021. Fortunately, this had no consequences for Dura Vermeer because the IT infrastructure of this affiliate was not linked to the Dura Vermeer network.

# CORPORATE GOVERNANCE

## Role and authorities of the Supervisory Board

The Supervisory Board oversees the Management Board's policy-making and the general state of affairs at Dura Vermeer and its affiliated companies and advises the Management Board. In doing so, the Supervisory Board also focuses on the effectiveness of risk management and control systems of Dura Vermeer and the integrity and quality of its financial reporting. In the performance of its duties, the Supervisory Board focuses on the interests of Dura Vermeer and its affiliated companies. As part of its efforts, the Supervisory Board also considers the social aspects of entrepreneurship that are relevant to the company. The articles of association of Dura Vermeer contain rules with regard to conducting meetings and the decision-making process.

The supervision of management by the Supervisory Board includes:

- the way in which the Management Board executes the strategy aimed at continuity and 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;
- the activities of the Management Board with regard to the culture within the company, the functioning of the reporting procedure for abuses and irregularities; and
- the social aspects of entrepreneurship relevant to the company.

# DIVERSITY AND REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

## 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. In the Management and Supervision of Legal Entities Act, a balanced distribution is defined as: 'at least 30 percent of the seats on management boards and supervisory boards is occupied by women'. We did not achieve this target in 2021. 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. This policy has been successful. As of 1 January 2022, 40% of the seats on the Supervisory Board are occupied by women. We have found a female successor to Mr Alexander van der Lof in Ms Ingrid Faber.

## Remuneration

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.



Ring Road East, De Lier

# COMPOSITION OF MANAGEMENT BOARD AND SUPERVISION

## Supervisory Board

B. Vree, Chairman  
D. van Well, Vice-Chairman  
I.G.C. Faber MBA (from 1 January 2022)  
M.E. van Lier Lels  
J.M.A. van der Lof MBA (until 31 December 2021)  
P.S. Overmars

## Management board Construction and Property Division

R.P.C. Dielwart BSc, Chairman  
M.A. ter Hark RA  
P.C.M. Krop MRE MRICS  
R.B. Steijn  
N. van Rens (from 1 September 2021)

## Management board Infra Division

T. Winter, Chairman  
R.B. Kalma RC

## Management board Engineering Division

W.J.A. Blom (from 1 December 2021)

## Group Staff Directors

J. den Heijer, ICT  
G.B. Metselaar, Corporate Communication  
H. Vervloet MBA, Human Resources  
T. Wilmink, Legal Affairs  
H.G. Wisman RA, Finance, Risk & Control

## Management Board

J. Dura MRE, Chairman  
L.H. Barg RA, CFO  
R.P.C. Dielwart  
T. Winter



# REPORT OF THE SUPERVISORY BOARD

# REPORT OF THE SUPERVISORY BOARD

We have discussed the financial statements and the annual report for the 2021 financial year with the external auditor in the presence of the Management Board and the CFO. The financial statements were audited by KPMG Accountants NV, who issued an unqualified audit opinion on 9 March 2022. This audit opinion is included on page 96 of this report. We recommend that the General Meeting of Shareholders adopt the financial statements for 2021 and grant the members of the Management Board discharge from liability.

## Meeting frequency

In 2021, the Supervisory Board held six regular meetings with the Management Board. Three of the meetings took place entirely digitally due to Covid-19. The June meeting took place at the new office of the Construction and Property Division in Utrecht. The meeting was preceded by a guided tour.

Depending on the specific areas of responsibility of supervisory directors, regular consultations are held with members of the Management Board. This applies in particular to the Chairman and the Vice-Chairman of the Supervisory Board, who, in addition to the formal meetings, also had regular interim consultations with the Chairman of the Management Board and the CFO on both strategic and operational matters.

## Topics 2021

In 2021, the impact of the nitrogen problems on the industry in general and on Dura Vermeer in particular was on the agenda of every meeting, as was the Covid-19 pandemic, obviously. The consequences for liquidity, operating income, the result and the development of the order book in 2022 and beyond were all discussed extensively. The matters discussed during the meetings with the Supervisory Board also included the operational and financial control of the operations, tenders for and the progress of large and/or complex projects and the company's own property development projects. Also discussed at length were safe working practices in general and the Dura Vermeer safety programme in particular, culture, diversity, the availability of staff and the filling of senior management positions. Finally, consultations were held with the Management Board on the new strategy for the period 2022-2024, including the sustainability, digitalisation and innovation ambitions.

## Decision-making

In addition to the decision-making on tendering for projects, making investments (land purchases) and acquisitions, in 2021 we approved the annual report 2020 and the dividend proposal for 2020 included therein. We also approved the 2021 interim dividend proposal based on the 2021 forecast figures. In November 2021, the strategic course of Dura Vermeer was discussed in detail on the basis of the Strategy Memorandum for the period 2022-2024. During this meeting, the budget for the financial year 2022 was also discussed in detail and approved by the Supervisory Board.

## COMPREHENSIVE DESIGN IS CRUCIAL TO SOLVING BIG ISSUES



Nieuwbouw DuPont Leiden Bio Science Park

## Composition of the Supervisory Board

The Supervisory Board currently has five members. As of 1 January 2022, we have fulfilled the vacancy for the succession of Mr Van der Lof. Mr Van der Lof's supervisory directorship ended at year-end 2021. We are very grateful to Mr Van der Lof for his contribution to our organisation over the years. His actions demonstrated a high degree of commitment and professionalism. We appointed Ms I. Faber as a supervisory director as of 1 January 2022. We are grateful that she has joined us and look forward to working with her in the new composition of the Board.

We are grateful to the Management Board, the management and all employees for their efforts and thank them for their contributions during the year under review, in which Covid-19 demanded a great deal of flexibility from them.

Rotterdam, 9 March 2022

**B. Vree**, Chairman  
**D. van Well**, Vice-Chairman  
**I.G.C. Faber**  
**M.E. van Lier Lels**  
**P.S. Overmars**



# FINANCIAL STATEMENTS



## CONSOLIDATED BALANCE SHEET

(Before profit appropriation, amounts x € 1,000)	Note	31-12-2021	31-12-2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1	9,118	4,985
Tangible assets	2	90,049	95,300
Financial fixed assets	3	48,347	25,116
		<b>147,514</b>	<b>125,401</b>
<b>Current assets</b>			
Inventories	4	63,231	48,293
Receivables	5	178,518	173,004
Cash and cash equivalents	6	287,087	269,039
		<b>528,836</b>	<b>490,336</b>
<b>Current liabilities</b>			
	7	<b>406,798</b>	<b>373,432</b>
<b>Current assets less current liabilities</b>		<b>122,038</b>	<b>116,904</b>
<b>Assets less current liabilities</b>		<b>269,552</b>	<b>242,305</b>
Non-current liabilities	9	3,311	6,289
Provisions	10	43,104	32,650
Equity	11	223,137	203,366
<b>Liabilities less current liabilities</b>		<b>269,552</b>	<b>242,305</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Amounts x € 1,000)	Note	2021	2020
Net revenue		1,131,288	1,529,141
Change in inventory of finished goods and work in progress		479,412	-92,386
<b>Total operating income</b>	14	<b>1,610,700</b>	<b>1,436,755</b>
Cost of raw materials and consumables, outsourced work and other external costs		1,273,950	1,128,165
Wages and salaries	15	210,569	195,347
Social insurance contributions and pension costs	15	46,807	48,075
Depreciation, amortisation and impairment of fixed assets	1,2	14,959	12,825
Other operating expenses	16	287	1,350
<b>Total operating expenses</b>		<b>1,546,572</b>	<b>1,385,762</b>
<b>Operating profit (loss)</b>		<b>64,128</b>	<b>50,993</b>
Interest income and similar income		333	382
Interest expenses and similar expenses		-1,986	-1,649
<b>Profit (loss) before taxes</b>		<b>62,475</b>	<b>49,726</b>
Taxes	17	-16,023	-12,796
Share in result from participating interests		5,919	4,577
<b>Profit (loss) after taxes</b>		<b>52,371</b>	<b>41,507</b>
<b>Total profit (loss)</b>		<b>52,371</b>	<b>41,507</b>

# CONSOLIDATED CASH FLOW STATEMENT

(Amounts x € 1,000)	Note	2021	2020
<b>Operating profit (loss)</b>		<b>64,128</b>	<b>50,993</b>
Adjustments for:			
• Depreciation of property, plant and equipment and amortisation of intangible fixed assets, and impairments	1, 2	14,959	12,825
• Changes in provisions		43,018	12,194
		<b>57,977</b>	<b>25,019</b>
Changes in working capital:			
• Receivables		-410	-2,158
• Inventories	4	-15,299	30,378
• Work in progress		45,628	65,297
• Liabilities		-47,194	27,190
		<b>-17,275</b>	<b>120,707</b>
<b>Cash flow from operating activities</b>		<b>104,830</b>	<b>196,719</b>
Interest received		363	380
Dividend received from participating interests	3	2,946	1,739
Interest paid		-1,952	-1,650
Corporation tax paid		-17,215	-17,134
		<b>-15,858</b>	<b>-16,665</b>
<b>Cash flow from operating activities</b>		<b>88,972</b>	<b>180,054</b>
Investments in:			
• Tangible and intangible fixed assets	1, 2	-18,455	-25,081
• Non-consolidated participating interests	3	-2,079	-347
• Loans granted	3	-19,649	-559
		<b>-40,183</b>	<b>-25,987</b>
Disposals:			
• Tangible fixed assets	2	4,614	8,077
• Non-consolidated participating interests	3	47	2,936
• Repayments on non-current receivables	3	1,155	1,972
		<b>5,816</b>	<b>12,985</b>
<b>Cash flow from investing activities</b>		<b>-34,367</b>	<b>-13,002</b>
<b>Cash flow before financing</b>		<b>54,605</b>	<b>167,052</b>
Repayments on non-current liabilities	9	-3,957	-1,482
Dividend paid	27	-32,600	-16,000
		<b>-36,557</b>	<b>-17,482</b>
<b>Cash flow from financing activities</b>		<b>-36,557</b>	<b>-17,482</b>
<b>Net cash flow</b>		<b>18,048</b>	<b>149,570</b>
Net cash at start of financial year	6	269,039	119,469
Net cash at end of financial year	6	287,087	269,039
<b>Change in cash and cash equivalents</b>		<b>18,048</b>	<b>149,570</b>

# NOTES TO THE CONSOLIDATED BALANCE SHEET

## GENERAL

### General

Dura Vermeer Groep N.V. ('the company') is a nationally operating construction and infrastructure group, active in the construction, infrastructure and engineering sectors. The company's core activities are the development, design and realisation of construction and infrastructure projects, transformation and renovation.

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

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

### Reporting period

These financial statements relate to the financial year 2021, which ended on the balance sheet date of 31 December 2021.

### Basis of preparation

The company's consolidated financial statements are part of the company's separate financial statements ('company financial statements') under the articles of association and have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code on a going-concern basis. Unless stated otherwise in the 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 in the profit (or loss) after taxes of entities in which it has a participating interest, and its other income (or losses) after taxes.

## PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES AND DETERMINATION OF THE RESULT

### 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 funds 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 all or virtually 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.

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 of an asset or an increase in 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 and rewards of ownership 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 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.

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

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

##### 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.

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 granted and other receivables are measured at amortised cost using the effective interest method and 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 granted and other receivables' are recognised at the transaction date.

#### Non-current and current liabilities and other financial commitments

Subsequent to initial recognition, non-current 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.

The repayment obligations of the non-current liabilities for the coming year are included in current liabilities.

##### 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 the 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.

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 impairments already taken into account.

The outcomes are adjusted if the management believes that the current economic and credit conditions suggest that it is likely that the actual reduction in value will be higher or lower than suggested by historical trends.

An impairment loss on a financial asset measured at amortised cost is calculated 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 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**

##### *Goodwill*

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

Capitalised goodwill is recognised in intangible fixed assets and amortised on a straight-line basis over its estimated useful life.

##### **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. 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. Land is not depreciated. 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**

##### *Participating interests with significant influence*

Participating 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 a participating 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 a participating 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.

Participating interests with a negative net asset value are stated at nil. This valuation also includes non-current receivables from the participating 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 in the profit of a participating interest in later years is only recognised if and insofar as the cumulative portion of the non-recognised share in 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 a participating interest, or has the constructive obligation to enable the participating 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.

##### *Participating interests without significant influence*

Participating 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 a participating 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*

Participating 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 in 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.

Upon 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 in 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 participating 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 chapter 'Financial instruments'.

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

#### **Impairments of fixed assets**

For property, plant and equipment and participating 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 is 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

Inventories of land, raw materials and consumables are stated at the lower of acquisition price 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, net of costs still to be incurred. The inventories of land concerns land positions acquired for development as construction sites in the near future.

Stocks of finished products are 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 comprises the balance of realised project costs, attributed profit, recognised losses and pre-invoiced instalments. 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.

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 percentage of completion of a project in progress 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. Interest expenses are not allocated to 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 percentage 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 comprise the contractually agreed revenues plus any revenues related to additional work, claims and payments, provided that it is probable that the revenues will be realised and they can be reliably determined. Project revenues are measured at the fair value of the consideration received or receivable.

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.

If on balance, the amount in invoiced instalments exceeds the value of the completed work, the work in progress item is recognised under current liabilities.

Projects originating from own development are measured at cost of manufacture including a pro rata share in the expected profit if the projects have been sold to third parties, less any amounts charged to provisions for expected losses and development risks.

## Receivables

The accounting policy for receivables is described in the chapter '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.

## Current and non-current liabilities

The accounting policies for current and non-current liabilities are described in the chapter 'Financial instruments'.

## 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.

### Warranty provision

The provision for warranty obligations relates to the estimated costs of both legally enforceable obligations (products or services supplied do not satisfy the agreed qualities) and constructive obligations (by way of service/leniency, to the extent generally known and customary). These estimated costs are based on historical warranty data and the average of all possible outcomes multiplied by the probability that the outcome will occur.

### Provision for deferred tax liabilities

The accounting policy for the provision for deferred tax liabilities is described in chapter 'Taxes'.

### Jubilee provision

The jubilee provision is a provision for future payments for long service. The provision reflects the present value of the estimated payments to employees for long service and other related costs. In calculating the provision, account is taken of future increases in salaries, ages and the probability that employees may not complete the period of service.

### Provision for onerous contracts

The provision for onerous contracts concerns the negative difference between the expected benefits from performance to be received by the company after the balance sheet date and the unavoidable costs of meeting the obligations. Part of this is a provision for rental losses, which is formed for rental obligations of vacant leased business premises until the end of the lease.

## 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 net of 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 held by 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.

## PRINCIPLES FOR THE DETERMINATION OF PROFIT OR LOSS

### General

Income and expenditure are accounted for in the period to which they relate.

### Operating income

The operating income is the income from works completed and delivered to third parties during the financial year. For this, see the accounting policies in the chapter 'Work in progress'.

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

This includes the costs incurred for the purpose of generating operating income, insofar as these costs were charged by third parties and do not qualify as costs of raw materials or consumables.

### 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 other receivables, 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, 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 at the balance sheet date. The best estimate is based on contractual agreements with employees (collective labour agreement 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 the reporting period 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 at 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 other receivables, prepayments and accrued income if the fund will refund this amount or offset it against future payable pension contributions.

Most of the employees have a pension under a scheme administered by the industry-wide pension fund for the construction sector (BPF Bouw). This pension scheme contains a career average pension scheme and a defined contribution scheme. In the event that the above-mentioned industry-wide pension fund 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 2021, 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 125.1% (31 December 2020: 111.1%).

### 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 classifies as a finance lease if all or substantially all the risks and rewards incidental to ownership are transferred 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 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 income and similar income and interest expenses 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 expenses and similar expenses are also 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, participating 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.

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 deferred tax assets 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.

### Share in result from participating interests

The share in the result from participating interests concerns the company's share in the profit (loss) of entities in which it has a participating 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 participating interests, or between its participating interests themselves, are not recognised if they can be deemed unrealised. Profits or losses from participating 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 participating 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.

# NOTES TO THE CONSOLIDATED BALANCE SHEET

## 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 an 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.

## 1. Intangible fixed assets

(Amounts x € 1,000)	Goodwill
Acquisition value	6,859
Cumulative amortisation	-1,874
<b>Carrying amount 1 January 2021</b>	<b>4,985</b>
Changes in carrying amount:	
Investments	4,874
Amortisation	-741
<b>Total changes 2021</b>	<b>4,133</b>
Acquisition value	11,733
Cumulative amortisation	-2,615
<b>Carrying amount 31 December 2021</b>	<b>9,118</b>

The acquisition value of the goodwill mainly relates to the acquisition of additional shares in Asset Rail BV (2016), the acquisition of a minority interest in Road Maintenance Support B.V. (2018), the acquisition of a minority interest in Leeuwenstein Groep (2019) and the acquisition of 49% of the shares in BR Holding B.V. (2021).

The goodwill in respect of Asset Rail BV has been fully amortised over a period of 5 years. The other goodwill is amortised over a period of 10 years, given the long-term nature of the (maintenance) contracts of these entities.

## 2. Tangible fixed assets

(Amounts x € 1,000)	Land and buildings	Plant and equipment	Other fixed operating assets	Not used in the production process	Total
Acquisition value	43,647	68,360	64,628	34,348	210,983
Cumulative depreciation	-17,280	-50,975	-41,919	-5,509	-115,683
<b>Carrying amount 1 January 2021</b>	<b>26,367</b>	<b>17,385</b>	<b>22,709</b>	<b>28,839</b>	<b>95,300</b>
Changes in carrying amount:					
Investments	218	8,895	4,463	5	13,581
Disposals (acquisition value)	-	-2,853	-7,012	-	-9,865
Disposals (cumulative depreciation)	-	2,481	3,686	-	6,167
Deconsolidations (acquisition value)	-	-6,159	-786	-	-6,945
Deconsolidations (cumulative depreciation)	-	5,388	641	-	6,029
Impairments	-	-2,074	-	-	-2,074
Depreciation	-823	-3,974	-6,473	-874	-12,144
<b>Total changes 2021</b>	<b>-605</b>	<b>1,704</b>	<b>-5,481</b>	<b>-869</b>	<b>-5,251</b>
Acquisition value	43,865	68,243	61,293	34,353	207,754
Cumulative depreciation	-18,103	-49,154	-44,065	-6,383	-117,705
<b>Carrying amount 31 December 2021</b>	<b>25,762</b>	<b>19,089</b>	<b>17,228</b>	<b>27,970</b>	<b>90,049</b>

Property, plant and equipment presented under 'Not used in the production process' concerns two sites that are operated on a long-term basis. Dura Vermeer intends to take the two sites into production or sell them in the future.

The land and buildings serve as collateral for debts to credit institutions for an amount of € 25.6 million (31 December 2020: € 26.4 million). The market value of the relevant buildings and land is € 37.4 million (2020: € 34.4 million). The market values are determined on the basis of periodic valuations carried out by independent appraisers.

Future investment commitments of € 3.0 million have been entered into in respect of machinery, equipment and other fixed operating assets.

## 3. Financial fixed assets

(Amounts x € 1,000)	Participating interests	Receivables from participating interests	Deferred tax asset	PPP receivables	Other receivables	Total
<b>Carrying amount 1 January 2021</b>	<b>20,077</b>	<b>3,442</b>	<b>222</b>	<b>1,125</b>	<b>250</b>	<b>25,116</b>
Share in profit (loss)	5,919	-	-	-	-	5,919
Dividend received	-2,946	-	-	-	-	-2,946
Investments	2,074	-	-	-	-	2,074
Disposals	-47	-	-	-	-	-47
Repayments	-	-311	-	-844	-	-1,155
New loans	-	3,156	-	-	16,493	19,649
Amounts written off	-	-150	-	-	-	-150
Additions	-	-	28	-	-	28
Amounts used	-	-	-71	-	-	-71
Reclassification from/to current receivables	-	-75	-	-	-	-75
Other changes	5	-	-	-	-	5
<b>Carrying amount 31 December 2021</b>	<b>25,082</b>	<b>6,062</b>	<b>179</b>	<b>281</b>	<b>16,743</b>	<b>48,347</b>

The investments in participating interests were largely due to the acquisition of 49% of the shares in BR Holding B.V. and 20% of the shares in Latexfalt B.V. A loan of € 2.6 million was also granted to BR Holdings B.V. in 2021. The total receivable from participating interests therefore amounted to € 6.1 million, of which € 0.9 million is current.

The deferred tax asset concerns the recognised available tax loss carry forward of two participating interests not belonging to the fiscal unity. € 0.1 million of the receivable is current. The deferred tax asset is expected to be offsettable within three years.

The PPP receivable concerns availability payments receivable from Rijkswaterstaat in relation to the N31 Rijksweg Public-Private Partnership project. The remaining receivable will expire next year and is therefore current.

Other receivables include an interest-bearing loan of € 13.5 million granted to a development consortium and € 3.0 million granted to a third party, both for the purchase of land. A first mortgage has been granted for both loans.

In accordance with statutory provisions, a list of the consolidated and non-consolidated participating interests and building consortiums and other partnerships has been filed with the Chamber of Commerce for inspection.

## 4. Inventories

(Amounts x € 1,000)	31-12-2021	31-12-2020
Land	54,669	41,680
Raw materials and consumables	7,681	5,234
Finished goods	881	1,379
<b>Total</b>	<b>63,231</b>	<b>48,293</b>

The value of the land positions was analysed at year-end 2021 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 2021 amounts to € 4.8 million (2020: € 4.4 million).



## 5. Receivables

(Amounts x € 1,000)	31-12-2021	31-12-2020
Trade receivables	79,472	89,048
Receivables from non-consolidated participating interests	210	96
Corporation tax receivable	3,723	113
Other taxes and social insurance contributions receivable	7,076	7,029
Work yet to be invoiced	36,411	37,775
Receivables from building consortiums	19,333	12,067
Prepaid expenses	10,477	5,111
Other receivables, prepayments and accrued income	21,816	21,765
<b>Total</b>	<b>178,518</b>	<b>173,004</b>

All items under receivables, prepayments and accrued income fall due within one year.

The provision for potential bad debts at year-end 2021 amounts to € 1.3 million (year-end 2020: € 2.8 million).

## 6. Cash and cash equivalents

(Amounts x € 1,000)	31-12-2021	31-12-2020
Current Account Banks	287,068	269,028
Cash resources	19	11
<b>Total</b>	<b>287,087</b>	<b>269,039</b>

Cash and cash equivalents are readily available in the amount of € 151.8 million (2020: € 218.5 million). The cash and cash equivalents not readily available concern an amount of € 98.3 million (2020: € 43.2 million) in cash and cash equivalents at consortium works and € 37.0 million (2020: € 7.3 million) in cash in G-accounts.

## 7. Current liabilities

(Amounts x € 1,000)	31-12-2021	31-12-2020
Amounts owed to credit institution	376	1,303
Current portion of non-current liabilities	450	1,429
Work in progress (8)	126,828	47,852
Pre-invoiced amounts	9,029	13
Debts to suppliers	93,943	136,825
Amounts owed to participating interests	1,205	549
Amounts owed to building consortiums	3,245	3,291
Work yet to be invoiced	81,511	110,300
Corporation tax payable	5,530	2,514
Other taxes and social insurance contributions payable	39,947	35,882
Employee-related liabilities	25,766	19,865
Other payables, accruals and deferred income	18,968	13,609
<b>Total</b>	<b>406,798</b>	<b>373,432</b>

All current liabilities fall due within one year.

The 'amounts owed to credit institutions' concern a project financing in the context of consortiums with third parties. This financing expires next year and has an interest rate of 3-month Euribor + 3.15%.

Of the other taxes and social insurance contributions payable, € 39.6 million relates to VAT payable (2020: € 35.5 million).

For an explanation of work in progress, see note 8.

## 8. Work in progress

(Amounts x € 1,000)	31-12-2021	31-12-2020
Realised project costs including attributed profit	1,714,189	1,213,577
Less: Progress billings to clients	-1,777,294	-1,231,055
Provision for expected losses	-63,722	-30,374
<b>Total</b>	<b>-126,828</b>	<b>-47,852</b>
Projects for third parties, including PPP contracts	-140,112	-87,095
Own development projects	13,284	39,243
<b>Total</b>	<b>-126,828</b>	<b>-47,852</b>

The balance of work in progress at year-end 2021 consists of a positive balance of € 117.3 million (2020: € 93.0 million) for work in progress where the project costs exceed the pre-invoiced instalments, and of a negative balance of € 244.1 million (2020: € 140.9 million) for work in progress where the project costs are lower than the pre-invoiced instalments.

Project revenues recognised in the profit and loss account for the financial year, amount to € 1.6 billion (2020: € 1.4 billion).

## 9. Non-current liabilities

(Amounts x € 1,000)	31-12-2021	31-12-2020
Non-recourse project financing	3,311	3,686
Amounts owed to credit institution	-	2,603
<b>Total</b>	<b>3,311</b>	<b>6,289</b>

(Amounts x € 1,000)	Non-recourse project financing	Amounts owed to credit institution	Total
<b>Carrying amount 1 January 2021</b>	<b>4,136</b>	<b>2,603</b>	<b>6,739</b>
Repayments	-375	-2,603	-2,978
<b>Carrying amount 31 December 2021</b>	<b>3,761</b>	<b>-</b>	<b>3,761</b>
<b>Current as at 31 December 2021</b>	<b>450</b>	<b>-</b>	<b>450</b>
<b>Long-term as at 31 December 2021</b>	<b>3,311</b>	<b>-</b>	<b>3,311</b>

The non-recourse project financing is the share of Dura Vermeer Groep N.V. in the non-recourse financing of a site which is recognised under property, plant and equipment as 'not used in the production process'. A first mortgage has been granted on the site. The remaining term of the loan is 2 years and the interest rate consists of 1-month EURIBOR with a mark-up of 2.25 percentage points. The repayment for 2022 is classified under current liabilities.

At year-end 2021, Dura Vermeer Groep N.V. had a syndicated bank facility with three banks. This facility involves a Current Account Facility of € 50 million, a Revolving Property Project Facility of € 30 million and a Guarantee Facility of € 200 million. The facility has an expiry date of 10 December 2023. The Current Account Facility and the Revolving Project Facility remain undrawn at year-end 2021. With regard to the Guarantee Facility, the banks had issued guarantees for an amount of € 75.5 million at year-end 2021 (year-end 2020: € 87.2 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 € 37.4 million (year-end 2020: € 35.5 million). The bank facilities are subject to solvency, leverage and interest coverage ratios. As was the case at year-end 2020, all ratios at year-end 2021 amply satisfy the standard values contained in the financing contracts.

In addition to the banks, three mutual insurance associations have provided guarantee facilities, totalling € 160 million (2020: € 160 million). At year-end 2021, guarantees totalling € 68.1 million had been issued by the mutual insurance associations (2020: € 59.2 million).

## 10. Provisions

(Amounts x € 1,000)	Deferred tax liabilities	Warranties	Jubilee provision	Other provisions	Total
<b>Carrying amount 1 January 2021</b>	<b>595</b>	<b>16,409</b>	<b>6,552</b>	<b>9,094</b>	<b>32,650</b>
Additions	106	11,380	408	7,824	19,718
Withdrawals	-201	-3,504	-137	-1,852	-5,694
Release	-	-504	-55	-1,051	-1,610
Reclassification to current liabilities	-	-	-	-1,500	-1,500
New consolidations	-	425	-	-	425
Deconsolidations	-59	-826	-	-	-885
<b>Carrying amount 31 December 2021</b>	<b>441</b>	<b>23,380</b>	<b>6,768</b>	<b>12,515</b>	<b>43,104</b>

### Provision for deferred tax liabilities

The provision for deferred tax liabilities includes the tax effect of taxable temporary differences between commercial and tax valuations, and is largely long term.

### Warranty provision

The warranty provision is recognised for the estimated costs that may be incurred due to warranty claims in respect of delivered work. € 4.7 million of the receivable is current. The addition to the provision is related to the turnover generated from the works delivered in the financial year. The costs incurred due to warranty claims are charged against the provision. The amount of the provision is regularly reviewed on the basis of the estimated risks.

### Jubilee provision

The jubilee provision relates to payments to employees based on the duration of employment. € 0.3 million of the provision is current. The provision relates to the estimated amount of long-service awards payable in the future. The calculation is based on commitments made, stay probability and ages. In determining the provision, account is taken of an average future salary increase of 2.8% (2020: 2.8%), an average likelihood of staying of 91% (2020: 91%) and an average discount rate of 0.8% (2020: 0.7%).

### Other provisions

Among the other provisions of € 12.5 million, the provision for onerous contracts of € 7.7 million is the largest. € 0.1 million of the other provision (2020: € 1.3 million) is current.

## 11. Equity

For an explanation regarding the equity of the company, see the notes to the company balance sheet.

## 12. Financial instruments

### 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 mitigate 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 that are due to the company, any resulting losses are limited to the market value 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 € 449.0 million (2020: € 449.6 million), and is composed as follows:

(Amounts x € 1,000)	31-12-2021	31-12-2020
<b>Financial assets</b>		
Long-term loans granted	22,805	3,692
Non-current receivables	281	1,125
Receivables	179,834	175,769
Cash and cash equivalents	287,087	269,039
Rental receivables	9,013	-
<b>Total</b>	<b>499,020</b>	<b>449,625</b>

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 2021, the undiscounted contractual financial liabilities and rights are as follows:

(Amounts x €1,000)	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>				
Long-term loans granted	766	4,589	17,450	22,805
Non-current receivables	281	-	-	281
Current receivables	179,834	-	-	179,834
Cash and cash equivalents	287,087	-	-	287,087
Rental receivables	2,751	6,262	-	9,013
<b>Total</b>	<b>470,719</b>	<b>10,851</b>	<b>17,450</b>	<b>499,020</b>
<b>Financial liabilities</b>				
Non-current liabilities	450	3,311	-	3,761
Current liabilities	406,348	-	-	406,348
Rental obligations	7,841	24,421	17,726	49,988
Lease obligations	13,584	22,720	-	36,304
<b>Total</b>	<b>428,223</b>	<b>50,452</b>	<b>17,726</b>	<b>496,401</b>
<b>Balance</b>	<b>42,496</b>	<b>-39,601</b>	<b>-276</b>	<b>2,619</b>

To cover fluctuations between its payment obligations and financial assets, Dura Vermeer has a committed overdraft facility of € 50 million with a remaining term until the end of 2023.

#### 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 in the agreement for major long-term projects and/or, where this is not possible, (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 2021, Dura Vermeer had issued guarantees for clients for a maximum amount of € 143.6 million through credit institutions and mutual insurance associations (year-end 2020: € 146.4 million).

Dura Vermeer is jointly and severally liable for all liabilities of the general partnerships (building consortiums) in which Dura Vermeer participates. At year-end 2021, these liabilities, exclusive of bank guarantees, total € 243.8 million (2020: € 275.5 million). Dura Vermeer's share in this, amounts to € 112.1 million (2020: € 114.5 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 13 years. One of the company buildings has been sublet. The rental receivable has a remaining term of 3 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 2.7 years. The dates on which these instalments are payable by Dura Vermeer are shown in the overview of undiscounted contractual financial liabilities (note 12).

As at year-end 2021, Dura Vermeer has obligations for the purchase of land up to an amount of € 19.6 million (2020: € 17.7 million).

#### Fiscal unity

Most of the consolidated participating 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. For a comprehensive overview of the participating interests of Dura Vermeer Groep N.V. belonging to the fiscal unity, please refer to the list filed with 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:

(Amounts x € 1,000)	2021	2020
Residential construction	725,422	479,500
Non-residential construction	220,098	330,059
Infrastructure	663,269	626,135
Other	1,911	1,061
<b>Total</b>	<b>1,610,700</b>	<b>1,436,755</b>

## 15. Wages, salaries, social insurance contributions and pension costs

The composition of wages and salaries, social insurance contributions and pension costs is as follows:

(Amounts x € 1,000)	2021	2020
Wages and salaries	210,569	195,347
Social insurance contributions	28,467	28,020
Pension costs	18,340	20,055
<b>Total</b>	<b>257,376</b>	<b>243,422</b>

The decrease in pension costs is explained by the fact that the early retirement scheme 'supplementary scheme 55-' was discontinued after 15 years. From 1 January 2021, premiums will no longer be levied for this supplementary scheme.

During the 2021 financial year, the average number of employees was 2,696 FTEs (2020: 2,588 FTEs). All these people were employed in the Netherlands. This workforce can be broken down into various categories of personnel, as follows:

	Average 2021	Average 2020
Construction site workers	611	630
Executive, technical and administrative staff	2,085	1,958
<b>Total</b>	<b>2,696</b>	<b>2,588</b>

## 16. Other operating expenses

The other operating expenses of € 0.3 million relate to an allocation to the other provisions in connection with the structural vacancy of (part of) some office buildings.

## 17. Taxes

Taxes are calculated based 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%.

The tax expense breaks down as follows:

(Amounts x € 1,000)	2021	2020
Tax charge fiscal unity	-10,090	-12,151
Tax charge non-fiscal unity	-5,933	-645
<b>Total</b>	<b>-16,023</b>	<b>-12,796</b>

The following numerical reconciliation between the applicable and the effective rate can be given:

(Amounts x € 1,000)	2021	2020
Profit (loss) before taxes	62,475	49,726
Tax charge based on applicable tax rate in the Netherlands	-15,619	-12,432
Tax effect of non-deductible expenses	-404	-364
<b>Tax charge</b>	<b>-16,023</b>	<b>-12,796</b>
	<b>25.6%</b>	<b>25.7%</b>

The tax expense in the profit and loss account for 2021 amounts to € 16.0 million, or 25.6% of the result before taxes (2020: 25.7%).

## 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 participating 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 as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code.

(Amounts x € 1,000)	KPMG	Other KPMG	Total KPMG
	Accountants N.V.	network	
	2021	2021	2021
Audit of the financial statements	669	-	669
Tax consulting services from other KPMG	-	242	242
Other non-audit engagements	125	-	125
<b>Total</b>	<b>794</b>	<b>242</b>	<b>1,036</b>
	2020	2020	2020
Audit of the financial statements	653	-	653
Other audit engagements	35	-	35
Tax consulting services from other KPMG	-	247	247
Other non-audit engagements	169	-	169
<b>Total</b>	<b>857</b>	<b>247</b>	<b>1,104</b>

The audit fees reported in the table refer to the total fees for the audit of the financial statements, regardless of whether the work was already performed during the financial year.

## 20. Subsequent events

Since 24 February 2022, Europe has been confronted with a Russian invasion of Ukraine, a war situation on the edge of Europe not seen on this scale for decades. The consequences of this war situation on economic developments in general and on the availability of materials and the associated price increases in particular, will most likely also affect our business operations in 2022. The impact on our business activities and thus on our revenue and results is currently difficult to assess, but it will not affect our continuity. We are actively working to mitigate the risks as far as possible to limit the impact on our projects.

# COMPANY BALANCE SHEET

(Before profit appropriation, amounts x € 1,000)	Note	31-12-2021	31-12-2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	21	5,458	8,007
Financial fixed assets	22	216,007	188,121
		<b>221,465</b>	<b>196,128</b>
<b>Current assets</b>			
Receivables	23	69,576	45,856
Cash and cash equivalents	24	86,519	152,121
		<b>156,095</b>	<b>197,977</b>
<b>Current liabilities</b>	25	<b>149,585</b>	<b>189,989</b>
<b>Current assets less current liabilities</b>		<b>6,510</b>	<b>7,988</b>
<b>Assets less current liabilities</b>		<b>227,975</b>	<b>204,116</b>
<b>Provisions</b>	26	<b>4,838</b>	<b>750</b>
<b>Equity</b>			
Issued capital	27	1,923	1,923
Share premium	27	32,178	32,178
Statutory reserve	27	37,191	11,871
Other reserves	27	115,474	115,887
Unappropriated profit	27	36,371	41,507
		<b>223,137</b>	<b>203,366</b>
<b>Liabilities less current liabilities</b>		<b>227,975</b>	<b>204,116</b>

## COMPANY PROFIT AND LOSS ACCOUNT

(Amounts x € 1,000)	Note	2021	2020
Company profit (loss) excluding share in result from participating interests		-8,802	-4,064
Share in result from participating interests		61,173	45,571
<b>Profit (loss) after taxes</b>		<b>52,371</b>	<b>41,507</b>

## ACCOUNTING POLICIES FOR THE COMPANY FINANCIAL STATEMENTS

### General

The company financial statements are part of Dura Vermeer's 2021 financial statements. Dura Vermeer's financial information is included in the consolidated financial statements of Dura Vermeer.

With respect to the company profit and loss account, the company availed itself of the exemption provided under Section 2:402 of the Dutch Civil Code.

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.

### Financial instruments

In the company financial statements, financial instruments are presented on the basis of their legal form.

### Participating interests in group companies

In the company balance sheet, participating 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.

### Share in result from participating interests

The share in result from participating interests comprises Dura Vermeer's share in the profits (losses) of entities in which it has a participating interest. Gains and losses on transactions that involved a transfer of assets and liabilities between Dura Vermeer and its participating interests, or between its participating 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

## 21. Tangible fixed assets

(Amounts x € 1,000)	Other fixed operating assets
Acquisition value	32,650
Cumulative depreciation	-24,643
<b>Carrying amount 1 January 2021</b>	<b>8,007</b>
Changes in carrying amount:	
Investments	1,135
Depreciation	-3,684
<b>Total changes 2021</b>	<b>-2,549</b>
Acquisition value	33,785
Cumulative depreciation	-28,327
<b>Total</b>	<b>5,458</b>

## 22. Financial fixed assets

(Amounts x € 1,000)	Participating interests
<b>Carrying amount 1 January 2021</b>	<b>188,121</b>
Share in profit (loss)	61,564
Dividend received	-33,430
Investments	6
Other changes	-254
<b>Carrying amount 31 December 2021</b>	<b>216,007</b>

In accordance with relevant statutory provisions, a list of the consolidated and non-consolidated participating interests and building consortiums and other partnerships has been filed with the Chamber of Commerce for inspection. This list also specifies for which companies a statement of joint and several liability has been issued in accordance with Section 2:403 of the Dutch Civil Code.

## 23. Receivables

(Amounts x € 1,000)	31-12-2021	31-12-2020
Trade receivables	106	931
Receivables from group companies	56,852	39,256
Taxes and social insurance contributions receivable	1,098	652
Prepaid expenses	2,071	2,093
Other receivables, prepayments and accrued income	9,449	2,924
<b>Total</b>	<b>69,576</b>	<b>45,856</b>

All items under receivables, prepayments and accrued income fall due within one year.

## 24. Cash and cash equivalents

Cash and cash equivalents consist solely of bank balances and are at the disposal of the company.

## 25. Current liabilities

(Amounts x € 1,000)	31-12-2021	31-12-2020
Debts to suppliers	3,830	536
Payables to group companies	123,165	171,046
Corporation tax payable	3,089	3,073
Other taxes and social insurance contributions payable	-	12
Employee-related liabilities	11,109	8,746
Other payables, accruals and deferred income	8,392	6,576
<b>Total</b>	<b>149,585</b>	<b>189,989</b>

All current liabilities fall due within one year.

## 26. Provisions

(Amounts x € 1,000)	Deferred tax liabilities	Jubilee provision	Other provisions	Total
<b>Carrying amount 1 January 2021</b>	<b>524</b>	<b>226</b>	<b>-</b>	<b>750</b>
Additions	106	-	4,196	4,302
Withdrawals	-197	-48	-	-245
Release	-	31	-	31
<b>Carrying amount 31 December 2021</b>	<b>433</b>	<b>209</b>	<b>4,196</b>	<b>4,838</b>

The provisions are largely long-term.

For more information about the provisions, see the notes to the consolidated balance sheet.

## 27. Equity

(Amounts x €1,000)	Issued capital	Share premium	Statutory reserve	Other reserves	Unappropriated profit	Total
<b>Carrying amount 1 January 2020</b>	<b>1,923</b>	<b>32,178</b>	<b>11,024</b>	<b>96,636</b>	<b>36,098</b>	<b>177,859</b>
Profit 2020	-	-	-	-	41,507	41,507
Dividend paid for 2019	-	-	-	-	-16,000	-16,000
Profit appropriation 2019	-	-	-	20,098	-20,098	-
Addition to statutory reserve	-	-	847	-847	-	-
<b>Total changes 2020</b>	<b>-</b>	<b>-</b>	<b>847</b>	<b>19,251</b>	<b>5,409</b>	<b>25,507</b>
<b>Carrying amount 31 December 2020</b>	<b>1,923</b>	<b>32,178</b>	<b>11,871</b>	<b>115,887</b>	<b>41,507</b>	<b>203,366</b>
Profit 2021	-	-	-	-	52,371	52,371
Dividend paid for 2020	-	-	-	-	-16,600	-16,600
Interim dividend 2021	-	-	-	-	-16,000	-16,000
Profit appropriation 2020	-	-	-	24,907	-24,907	-
Addition to statutory reserve	-	-	25,320	-25,320	-	-
<b>Total changes 2021</b>	<b>-</b>	<b>-</b>	<b>25,320</b>	<b>-413</b>	<b>-5,136</b>	<b>19,771</b>
<b>Carrying amount 31 December 2021</b>	<b>1,923</b>	<b>32,178</b>	<b>37,191</b>	<b>115,474</b>	<b>36,371</b>	<b>223,137</b>

### Issued capital

The authorised capital amounts to € 9.0 million (2020: € 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 2021, 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 is the statutory reserve for participating interests and relates to participating interests valued at net asset value. The reserve relates to the retained earnings from participating interests which the company cannot pay out in dividends without the cooperation of third parties. The statutory reserve is determined on an individual basis. The change in the reporting period amounts to € 25.3 million, which was charged to the other reserves.

### Unappropriated profit

#### Profit appropriation for the 2020 financial year

The 2020 financial statements were adopted in the General Meeting held on 23 March 2021. The General Meeting adopted the profit appropriation for the 2020 financial year in accordance with the Board's proposal. Of the unappropriated profit of € 41.5 million, € 16.6 million was distributed as dividend. The remaining balance, amounting to € 24.9 million, was added to the other reserves.

#### Proposal for profit appropriation 2021

The Management Board, with the approval of the Supervisory Board, proposes to the General Meeting that the profit after tax for 2021 of € 52.4 million be appropriated as follows: that a sum of € 26.2 million be paid out as dividend and the remaining amount of € 26.2 million be added to the other reserves. Of the dividend to be paid out, € 16.0 million has already been paid out as interim dividend.

## 28. Remuneration of the managing director and the supervisory directors

Wages, salaries and social insurance contributions include directors' remuneration amounting to € 7.6 million (2020: € 6.0 million).

The remuneration of the supervisory directors for the year under review totalled € 259,000 in 2020 (2020: € 259,000).

## 29. Off-balance sheet assets and liabilities

In addition to the off-balance sheet liabilities disclosed in the notes to the consolidated 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, which has been filed with the Chamber of Commerce.

Rotterdam, 9 March 2022

### Management Board

J. Dura, Chairman

L.H. Barg, CFO

R.P.C. Dielwart

T. Winter





# 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.

## INDEPENDENT AUDITOR'S REPORT

### Independent auditor's report

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 2021 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 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2021;
2. the consolidated and company profit and loss account for 2021; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for 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 believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 the information as required by Part 9 of Book 2 of the Dutch Civil Code regarding the management report and the other information.

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 Management 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 pursuant to Part 9 of Book 2 of the Dutch Civil Code.

### Description of the responsibilities for the financial statements

#### Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management 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 Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management 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 Management 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Board 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, 9 March 2022

**KPMG Accountants N.V.**  
J. van Delden RA



## ABOUT THIS REPORT

In this report, we report for the first time our objectives and KPIs on our CSR themes as part of our annual report. In order to determine which information to include in this report, we started by selecting the topics.

### SELECTION OF TOPICS

For the preparation of this report, we looked at the sustainability issues that we, as Dura Vermeer, can influence and also at those issues that may have an influence, in the short or long term, on our financial position. We report on the following topics in this report:

1. Safe and healthy construction
2. Good employment practices
3. Raw materials and circularity - we are working on this under the banner 'Reuse? Whenever possible!'
4. Emissions - we are working on this under the banner 'Emissions to 0'
5. Climate adaptation and biodiversity-- we are working on this under the banner 'Greener and healthier'
6. Customer focus
7. Digitisation (including industrial design)
8. Innovation
9. Operational excellence
10. Health and well-being of users
11. Comprehensive design
12. Data security
13. Laws and regulations
14. Sustainable purchasing

Chapters 3 and 4 describe our policies, objectives and achievements in these areas.

### SCOPE AND PERIOD

The scope of non-financial information is virtually identical to that of financial reporting. The CSR KPIs do not include Asset Rail. The entire report covers the objectives and performance for the financial year beginning on 1 January 2021 and ending 31 December 2021.

### QUALITY ASSURANCE

The CSR KPIs have been audited by Lloyd's. LRQA has performed a verification on 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.

**ADDITIONAL  
INFORMATION**

# REPORTING POLICIES

In this report, we report for the first time our targets and KPIs on the most material CSR topics as part of our annual report. In order to determine what information to include in this report, we started by selecting the topics.

The GRI Standard is the most widely used standard for sustainability reporting worldwide. With this report, we have made a start on reporting what are referred to as GRI 'General Disclosures'. In addition, we use GRI indicators for some material topics.

We have looked at how our material topics relate to the United Nations Sustainable Development Goals ('SDGs'). This is clarified in our [Policy Statement](#). In addition, we also looked at which SDGs Dura Vermeer can have the greatest impact on. These are included in our value creation model.

In drawing up our value creation model, we have taken inspiration from the IIRC Integrated Reporting Framework.

# KPIs AND KEY FIGURES

## OVERVIEW OF KPIs

Thema	KPI	2021	OBJECTIVE 2021	2020
<b>SAFE AND HEALTHY CONSTRUCTION</b>	IF VCA	0.49	<2.5	0.73
	Average absence days IF VCA incidents	42.2	<15	26
<b>GOOD EMPLOYMENT PRACTICES</b>	Employee satisfaction	7.9	8.0	8.0
	Absenteeism %	3.5	<4.0	3.6
	Gender diversity	22.3%	22%	21.1%
<b>CUSTOMER SATISFACTION</b>	NPS B2B Construction and Property Division	93	>75	69
	Infra Division	88	>75	88
<b>SUSTAINABILITY</b>	% electric lease cars	19.3%	15%	10.4%
	Investments in sustainable equipment	62%	20%	n/a
	Average partial recycling of asphalt	44%	53%	47.6%
	% project waste reduction per euro of turnover	3.7%	5%	1.9%

## OVERVIEW OF KPIs

### IF VCA (own + hired)

Number of accidents at work with absence of more than 1 day per million hours worked by staff on permanent and temporary contracts and all other staff under our direct control. Day of the accident is not included.

### Average absence days IF VCA incidents

The average number of days of absence arising from registered IF rate VCA incidents of own staff on permanent and temporary employment contracts and all other staff under our direct management.

### 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.

### 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.

### Gender 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.

### Customer satisfaction

Customer satisfaction with Dura Vermeer is measured using the Net Promoter Score. Clients and customers answer the question: on a scale of 0 to 10, how likely are you to recommend Dura Vermeer to others? 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 seen as Promoters and 6 and a 7 as Neutrals (6 is a pass).

## KEY FIGURES FIVE-YEAR OVERVIEW

### Proportion of electric lease cars

The proportion 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).

### Investments in sustainable equipment

The percentage of investments in sustainable equipment compared to total investments in equipment where a choice for a sustainable variant is possible.

### Project waste reduction

The reduction in construction waste (in tonnes) on Dura Vermeer projects compared to the previous financial year. The volume of construction waste released is based on the total volume of waste removed by Renewi minus the office waste removed by Renewi. The construction waste released is measured against the turnover in millions of euros.

### Average PR of asphalt

The share of recycled asphalt in relation to the total amount of asphalt produced in the asphalt plants in which Dura Vermeer has an interest. These are the asphalt plants in Nijmegen (APN), Eemnes (APE), the Amsterdam region (ARA) and Rotterdam (ACR). Production by asphalt plants in which we hold a minority interest is included for 100%.

(Bedragen x € 1 miljoen)	2021	2020	2019	2018	2017
<b>(Amounts x € 1 million)</b>					
Operating income and scheduled work	1,611	1,437	1,504	1,337	1,183
Operating income	2,835	2,527	2,686	2,205	1,846
<b>Scheduled work *</b>					
	79.1	63.8	56.7	42.6	32.0
Earnings and assets	85.0	68.4	59.3	44.6	33.7
Operating result before depreciation and amortisation (EBITDA)	64.1	51.0	45.0	33.1	21.4
Operating result, including result from participating interests, before depreciation and amortisation	70.0	55.6	47.7	35.1	23.1
Operating profit (EBIT)	52.4	41.5	36.1	26.1	17.1
Result including share in result from participating interests	15.0	12.8	11.7	9.5	10.6
Net profit (loss)	283.0	260.0	108.4	80.9	45.9
Depreciation of fixed assets	223.1	203.4	177.9	149.9	128.9
Net financing position **	676.4	615.7	513.8	481.2	409.9
Equity					
<b>Total assets</b>					
	3.3%	2.9%	2.4%	2.0%	1.4%
Ratios					
Net return ***	24.6%	21.8%	22.0%	18.7%	14.1%
Net profit (loss) as a percentage of average equity	1.30	1.31	1.29	1.23	1.16
Current ratio	33.0%	33.0%	34.6%	31.2%	31.4%
<b>Solvency ****</b>					
	2,696	2,588	2,511	2,465	2,448
Number of employees					
Average number of employees expressed in FTEs					

\* 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 and cash equivalents, less interest-bearing debts.

\*\*\* 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.

## COLOPHON

### Editing, production and realisation

Dura Vermeer, Domani BV and 2Impact

### Design and styling

Domani BV

### Photography

Jonathan Andrew, Daisy Komen, Paul Poels Fotografie,  
Jorrit Lousberg, Sebastiaan Knot, Lauens Kuipers,  
Studio Oostrum, Sandra Stokman, Daniel Verkijk,  
Sebastiaan Westerweel, Dura Vermeer, Port Pictures

### Dura Vermeer contact

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