



heijmans

Royal Heijmans N.V.

2024

Human rights

# Table of contents.

## Introduction



## Human rights policy



## Human Rights Due Diligence



1. Governance



2. Risk analysis



3. Measures to stop, avoid and mitigate risks



4. Monitoring



5. Communication



6. Remedial actions



## Conclusion



## Appendix



# Introduction

Heijmans strives to ensure the well-being and fair treatment of employees throughout the value chain. This applies to our own employees and to those employed by our suppliers, subcontractors, clients and other business partners. To ensure this, we have implemented a human rights policy and we proactively investigate the potential impacts we have on our own employees and the entire value chain.

This document consists of two parts:

- Human rights policy
- Human rights due diligence

The Human Rights Due Diligence document evolves over time, and we aim to update it every two years. The purpose of this document is to identify and manage the material consequences, risks and opportunities of our business activities. The purpose of a human rights policy is to provide a framework to protect, promote and respect the fundamental rights and freedoms of all people.

## Heijmans Human Rights



# Human rights policy

## In general

Heijmans' mission is to create a healthy living environment. We contribute to a healthy living environment in everything we think of and do. We leave all environments we visit in a better state than we found it.

This also includes respecting human rights. This policy provides a basis for embedding the responsibility to respect human rights in all our business functions.

Heijmans supports the Universal Declaration of Human Rights, which states that all people, regardless of their background, have the right to equality, dignity and fundamental rights and freedoms.

Heijmans also endorses the general principles of the International Labour Organisation (ILO), which focuses on:

- Eliminating direct or indirect employment of children
- Eliminating any form of discrimination
- Maintaining a fair and consistent primary and secondary employment conditions policy for employees
- Offering freedom of association and the right to collective bargaining

Heijmans also endorses two guidelines that provide a framework for incorporating human and labour rights into policy. The general principles of the OECD Guidelines on Multinational Enterprises and UN Guiding Principles on Business & Human Rights (UNGPs). The OECD Guidelines focus on adjusting the policy, strategy and activities to universally accepted principles in terms of human rights, labour, environment and anti-corruption.

The UN Guiding Principles on Business & Human Rights focus on:

- Respecting and proactively promoting internationally recognised human rights
- Helping to prevent and address violations of these rights
- Contributing to recovery procedures for adverse human rights impacts directly related to the activities and actions of the company itself or its (value chain) partners
- Developing a policy that demonstrates that the company respects human rights

This means that in the procurement of products and services, social and environmental aspects play an important role in production, transport and use. Arrangements on these are made with suppliers and customers. We also contribute to the liveability of the places or regions Heijmans is associated with.

Human rights cover a wide range of topics, such as employment, health & safety, education, participation, diversity, social security, liveable wages and fair contracts. Employee rights and policies regarding child labour, forced labour and non-discrimination and policies regarding corruption and aspects of social involvement are also important here. We equally need to consider that human rights are also affected by risks related to environmental pollution, such as drinking water contamination.

## Scope

Heijmans only carries out construction activities in the Netherlands. Our largest suppliers are based in the Netherlands. Most of our raw materials and products come from Europe. This policy applies to Heijmans' own operations (all business areas) and the entire value chain in which Heijmans operates. Heijmans' own employees and its subcontractors, suppliers and clients are therefore all essential for the policy's implementation and assurance.

Human rights policies and declarations in our own operations and employees in the value chain:

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### Human rights at Heijmans

General Purchasing and Subcontracting Conditions (*Algemene Inkoop- en onderaannemingsvoorwaarden* or *AIOV*)

Heijmans N.V. policy statement Quality, Safety and Sustainability

Heijmans Code of Conduct

Heijmans GO!

Socially Responsible Procurement @ Heijmans

Reporting Procedure for Inappropriate Behaviour and Integrity and Abuses

Sustainability Statement

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**translation >>** Deze documenten zijn in hun volledigheid te vinden op [www.heijmans.nl](http://www.heijmans.nl). **<< translation**

# Human Rights Due Diligence

## Why Human Rights Due Diligence?

### Respecting human rights

The state has a duty to protect human rights. However, Heijmans has a responsibility to respect international human rights, which means that our organisation:

- Prevents its own activities from causing or contributing to negative human rights impacts and addresses such impacts when they occur
- Aims to prevent or mitigate adverse human rights impacts directly related to activities, products or services of business relationships, even if they have not contributed to those impacts.

### Policy assessment

Because we understand our responsibility to respect human rights, we have integrated our view on human rights into our policy, such as our Code of Conduct, our General Terms and Conditions for Procurement and Subcontractors and our Sustainability Statement. This due diligence:

- Helps to identify human rights risks in our own organisation and value chain and prevent potential negative consequences and effectively stop, mitigate and/or repair negative consequences, which allows us to identify impacts (risk management)
- Identifies policy gaps and initiates a process that alerts us to new human rights risk areas
- Highlights Heijmans' commitment to respecting and supporting human rights
- Builds more trust with external stakeholders and begins to understand and address their concerns so that we can respond to relevant stakeholder expectations
- Promotes the development of internal learning, management capacity and leadership in human rights issues

## The process

The integration of our human rights policy is a dynamic process. Because our company wants to operate with integrity and in line with the UN Guiding Principles on Business & Human Rights and OECD Guidelines in our field, we explain our current policies in this report. In which areas do we meet the standards and where are there still steps to be taken? We establish this according to the principles of the Human Rights Due Diligence process & supporting measures as outlined in the OECD Guidelines.

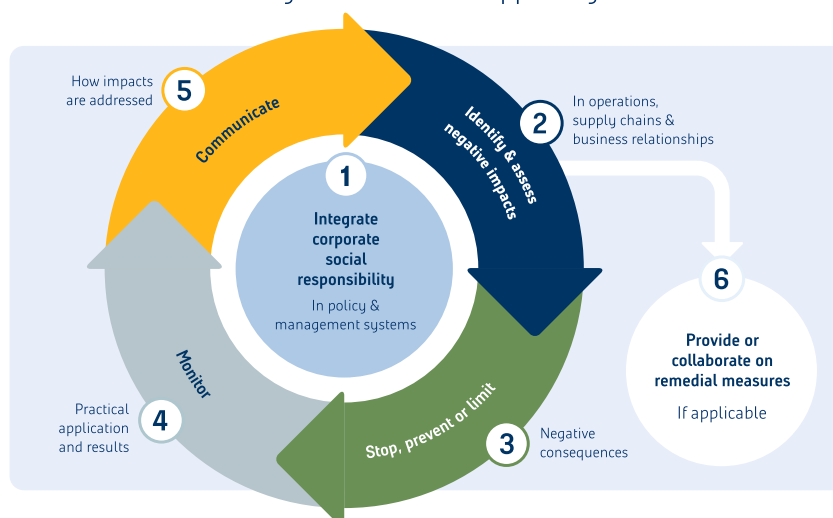
The process consists of 6 steps:

1. Governance
2. Risk analysis
3. Measures to stop, avoid and mitigate risks
4. Monitoring
5. Communication
6. Remedial actions

As our organisation gains more experience in identifying human rights, our policies are adapted when necessary.

In this report, we distinguish between human rights in the areas of labour, safety and the environment. The various due diligence steps are described based on these rights.

The Due Diligence Process & supporting measures



# 1. Governance

## **Responsibility and organisational embedding**

Facilitated by the Risk Office and Internal Audit, and formally discussed by the management teams, Group Board and Executive Board, we integrate due diligence into our decision-making. The Executive Board has ultimate responsibility. Every quarter, the Risk Office holds status meetings with departments such as Procurement, HR, Safety and Sustainability. These meetings address the (possible) risks. The implementation of (control) measures, the monitoring and follow-up of the (control) measures taken are discussed. In addition, the effectiveness of the (control) measures taken is tested, and these (control) measures are tightened where necessary. The responsibility for this lies with the heads of the support departments. Every Heijmans employee knows their role in managing and/or mitigating Heijmans' risks.

The Executive Board endorses the following conventions and general principles:

- General principles of the International Labour Organisation (ILO)
- General principles of the Organisation for Economic Co-operation and Development Guideline on Multinational Enterprises
- United Nations Guiding Principles on Business and Human Rights
- The Universal Declaration of Human Rights

Heijmans wants its actions to be socially responsible. Ensuring a safe and healthy working environment for employees and subcontractors is one of the most essential themes for our organisation. There is a comprehensive programme for safety risk assessments that take into account the value chain. Human rights are automatically assessed in the standard risk register. Good working conditions, the elimination of discrimination, child labour and forced labour, freedom of association (trade unions) and fair and equal pay are all standard elements of our safety, HR (diversity/inclusion policy) and procurement policies. We equally need to consider that human rights are also affected by risks related to environmental pollution, such as drinking water contamination.

## **Policy**

The Heijmans organisation has a direct impact on a number of human rights.

### **Labour related rights**

- The right to work
- The right to fair and equal payment
- The right to equal treatment (non-discrimination)
- The right to protection against unemployment
- The right to freedom of association
- The right to a fair standard of living
- The right to rest and leisure
- The right to protection against forced labour

### **Rights related to health & safety**

- The right to a healthy and safe working environment

### **Rights related to a clean, healthy and sustainable living environment**

- The right to a clean, healthy and sustainable living environment

The protection of these rights is ensured in the company's fundamental policies. Heijmans has a Code of Conduct (NL/EN) that is not non-binding and applies to everyone who deals with Heijmans: the board, our (temporary) colleagues, but also our partners, subcontractors and suppliers. This code has a sanctions policy and we require managers to lead by example. These conduct and behaviour rules are based on a number of fundamental human rights principles and form an integral part of the employment contracts of all Heijmans' employees. In 2023, dialogue sessions on ethical business practice were held across the company. Ethical business practice is also part of the onboarding programme and is therefore part of the standard offering to new employees. It emphasises the same values again and trains employees in acting with integrity.

### **Labour related rights**

The following human rights risks are relevant for Heijmans' own employees:

- Working conditions (working hours, leave, overtime).
- Fair wages (minimum wage, liveable wages, wage gap).
- (Sexual) harassment, aggression, violence and discrimination.

Our working conditions protect and improve human rights for all employees, focusing on decent work, unemployment protection, freedom of association, sustainable employability, holidays, pay gap measures, the works council, collective labour agreements and the absence and reintegration policy.

We comply with Dutch laws and regulations and apply the standards set out in the applicable collective labour agreements. We also have an elected works council.

We strictly adhere to the collective labour agreements on employees under the age of 18 with regard to working hours, training and guidance, work and remuneration.



Based on the EU Pay Transparency Directive (European Parliament 30 March 2023), we have conducted an analysis revealing the gaps in our organisation. In 2023, adjustments were made for some specific groups as a result of various benchmarks. Finally, we have also implemented equal pay measures. We give all our employees liveable wages to guarantee the right to a fair standard of living. Almost nobody is at minimum wage level and we aim to be the best employer in the industry. When our employees are finding hard to make ends meet, we support them. All employees have the option to receive financial coaching, for example from Vollandis. Our employees also have easy access to various brochures on what help is available.

Heijmans focuses on vitality and has set up a separate working group for this purpose. We have invested a lot in reducing excess hours worked and pay attention to employee well-being. Heijmans also has a health and safety centre, in which HR, the line management and Safety join forces. In addition, we focus on vitality and sustainable employability in all our personal development discussions. Holidays and/or leave are regulated in the collective labour agreement, and Heijmans considers it important that employees take their leave (at least two consecutive weeks). The holiday schedule is therefore coordinated with the works council. We launched the theme 'Working with vitality' with programmes for employees, such as Health & Energy, Learning Development, Work-Life Balance, Motivation & Engagement and Working as a Manager (with your team). In addition, we take specific actions aimed at construction site employees.

(Sexual) harassment, aggression, violence and discrimination are not tolerated. Prevention and the accommodation of employees who have been affected by any such actions are part of ensuring good working conditions. Employees who are or have been exposed to violence, discrimination and harassment can discuss this privately with one of the confidential counsellors. This regulation is included in the HRM manual.

### **The right to a healthy and safe working environment**

Heijmans GO! The zero accident programme has been in place since 2013 and focuses on developing proactive safety behaviour. Because working safely is primarily about how we behave. The GO! Compass is our foundation for working safely. It enables us to work towards a safe working environment by demonstrating conscious and active safety behaviour. This is a task for everyone who works at, with and for Heijmans. Let's work together for zero accidents! This is how we create a safe environment at home, on the road and at work. In addition to the Compass, we have also introduced GO! Coaches: GO! Coaches aim to increase safety awareness and motivate colleagues to be proactive about safety, for example by helping to have the right conversation, making it easier to talk about certain dilemmas and initiating improvements.

Our organisation also sees safety from a health and well-being perspective. We have a Safety vision: "Safety. Heijmans' vision" and a Heijmans N.V. Quality and Safety Sustainability Policy Statement, which is approved and signed every three years.

### **The right to a clean, healthy and sustainable living environment**

Respecting human rights goes beyond just protecting our own employees. We also work to respect human rights in the value chain every day. This involves the products we procure, our suppliers, subcontractors, indigenous communities, and the people living near our construction sites.

Heijmans monitors this by means of its Sustainability Statement for suppliers and/or subcontractors. This statement includes rules for improving social aspects, working conditions, health, safety and the environment. However, there is still room for amending this statement to bring it 100% in line with the OECD guidelines. The coverage ratio was 95% at the end of 2023. We aim to achieve 100% in the coming years.

Human rights are part of the standard procurement policy. We follow the MVI – ISO20400 system, even though Heijmans is not certified for this. The general terms and conditions of purchase and subcontracting also refer to various other documents and regulations, such as the NEN 4400 SNA quality mark, the health, safety and environment checklist for contractors (VCA), the Dutch Duty of Identification Act, Foreign Nationals Employment Act and the Dutch Foundation for Integrity Assessment in the Construction Industry. These all focus on the themes of labour law and working conditions, freedom from violence and coercion, and the prevention of corruption and fraud.

### **Key Performance Indicators (KPIs)**

We set KPIs and measure progress within the labour, safety and environment themes. We report these in our integrated annual report, which transparently shares our financial and non-financial information. Longer-term objectives and ambitions have not yet been formulated.

The following KPIs apply. For work within our own operations: health metrics, reward metrics and incidents, complaints and severe human rights impacts. For safety within our own operation: number of accidents (incl. subcontractors), number of fatalities, injury frequency rate (IF) and Safety Culture Ladder. For the environment: purchasing spend on subcontractors with a valid VCA certificate according to the standard health, safety and environment checklist for contractors, and purchasing spend on preferred suppliers.

### **Stakeholder involvement**

We are dealing with a wide range of stakeholders and strive for an interactive and continuous process. We engage with our stakeholders in different ways before decisions are made. The type of dialogue and discussion topics are adjusted to the stakeholder group. We hold development discussions with employees, conduct engagement surveys and the Works Council plays an important role. We have periodic contact with suppliers and subcontractors throughout the year and at least once a year. This includes evaluation meetings with the account manager, company director or the health and safety contact person.

There is a Reporting Procedure for Inappropriate Behaviour and Integrity and Abuses that allows employees from across the value chain to make an issue report. Employees can also issue reports anonymously via SpeakUp. In the coming years, the focus will be on increasing mutual involvement with external stakeholders.

In consultation with our clients and contractors, we strive to reduce the adverse consequences of our activities in the value chain as much as possible. By involving our contractors in taking this responsibility, we want to help improve social aspects, working conditions and health, safety and the environment, both within our company, at our contractors and in our contractors' value chain. Heijmans is in contact with the entitled party (account manager or director) of the client/contractor Heijmans is working with or with the health and safety contact person. They are considered to be the employee's representatives of the contractors.

Heijmans also holds partner meetings. In this context, Heijmans talks to groups of companies with the same activities (such as roofers and scaffolders) following incidents or in order to improve the work. These discussions are held to take these groups one step further in their collaboration. Safety and procurement people from the business side are present at these meetings.

The contracting parties on the construction site have meetings when the work starts and at the start of each day. There are periodic meetings with the parties involved at fixed locations. These are operational or strategic meetings. Standard safety meetings are organised by health and safety.

## Citizen participation | Urban neighbourhood collaboration

Urban neighbourhood collaboration is a project in collaboration with &CO. As an area developer, Heijmans' mission is to develop resilient urban neighbourhoods. This requires an approach that addresses the hard and soft sides of area development: the economy, space and accessibility, and the actual heart of the matter: the well-being of people and nature. That's why we put the existing neighbourhood and its residents first. We focus on them to encourage and activate new energy and solutions. Only then can we create resilient, connected neighbourhoods for everyone.



## 2. Risk analysis

### 2018 analysis

A few years ago, Heijmans carried out an analysis of the human rights that are most relevant to Heijmans. This showed that providing a safe and healthy working environment is the most important aspect, followed by the protection of human rights in the value chain. We have implemented measures to mitigate any potential negative impacts.

Many topics related to this theme are part of the standard safety, HR and procurement policy. They include ensuring good working conditions, freedom of association (trade unions), fair and equal remuneration and the inclusion of sustainability aspects in procurement.

Heijmans also abides by its code of conduct 'How we work'. This theme also includes the implementation of the actions taken by Heijmans as a result of the Dutch Act on Combating Spurious Labour Contracts (*Wet Aanpak Schijnconstructies* or *WAS*). Internal and external stakeholders have the opportunity to report abuses in the value chain, for example via an established whistleblowing system. It is how Heijmans takes responsibility throughout the entire value chain.

Suppliers and subcontractors have purchasing and value chain accountability and sign Heijmans' Sustainability Declaration to confirm their compliance with human rights. Human rights are therefore part of Heijmans' sustainable procurement policy and account management. Two important risk-mitigating factors are that Heijmans does not carry out any construction activities abroad and most of its raw materials and products come from Europe. The rest of the supply chain is exposed to such risks, however. Some of the risks are mitigated by purchasing certified products and certified suppliers. One example is the requirement to only source sustainably certified wood (both FSC and PEFC).

Heijmans has an extensive safety risk analysis programme that takes into account the value chain. In addition, we also recognise other Safety, HR and Procurement risks.

### Analysis 2023

In 2023, we took an even deeper look at the potential human rights risks using the RiskChallenger risk management tool and knowledge from our own organisation. The tool is based on the Universal Declaration of Human Rights of the United Nations and the eight Core Conventions of the International Labour Organisation (ILO). We prioritised the risk factors on the 'probability' and 'impact' (severity) axes, with impacts based on 'severity', 'reachability' and 'irreversibility' (salience method). In doing so, we examined whether our organisation could be contributing to the potential negative consequences. The results provided initial insights into the types of risks and their prioritisation. This analysis can also be used as a basis for a systematic approach from 2025 onwards.

Based on the spend analysis, we have identified our main material types of concrete, metal, asphalt and plastic. We also included the materials natural stone and wood in our analysis. Research shows that our largest suppliers of these materials are based in the Netherlands, with a small proportion based in Belgium and Germany. The entire supply chain, including sub-suppliers and the origin of materials, is outside the scope of this analysis, with the exception of the materials wood and natural stone. We used the CSR risk check to identify the potential risk factors relevant to these specific material types from specific regions. This tool adequately reflects the potential relevant risks associated with our Dutch suppliers. Control measures have been formulated to control the identified risks.

Experts from Procurement, Safety and Human Resources (HR) are involved in the risk analysis approach for due diligence. These experts have developed extensive human rights expertise over the years. The safety theme has also been firmly integrated into the organisation for more than ten years now.

The 2023 analysis was based on input from the above-mentioned departments, using knowledge and insights gained through contacts with internal and external stakeholders. For Procurement, this included supplier meetings with employee representatives from the upstream value chain (external stakeholders). HR used insights from the employee engagement survey, which focused specifically on our own operation (internal stakeholders). For Safety, we used data from issues reports in the GO! App, involving both internal and external stakeholders.

This multidisciplinary approach ensured a broadly supported and informed risk analysis.

### Results of the 2023 analysis

Below is an overview of the risks and associated control measures by material flow clustered by type of entitlement. This covers all relevant human rights risks for tier 1. Additional risks further down the value chain will be included in the next analysis.

#### Concrete

##### **Labour related rights and the right to a safe and healthy working environment**

- **Risk:** poor working conditions in cement plants, such as unsafe working conditions and inadequate pay and exposure to dust and chemicals, can lead to health risks for workers.
- **Control measure:** we work with suppliers who respect international labour standards and workplace safety (strict safety measures), who are audited and who deal with Dutch laws and regulations.

##### **The right to a clean, healthy and sustainable living environment**

- **Risk:** the process of heating limestone to cement emits carbon dioxide (CO<sub>2</sub>) and other harmful substances.
- **Control measure:** we work with suppliers who invest in energy-efficient technologies and use renewable energy sources (to support environmentally friendly processes). Cement for our own use is purchased from ENCI with a CE mark/Komo/Betonvereniging certificate.
- **Risk:** corruption and unethical business practices in the concrete industry (Fair Business theme).

- **Control measure:** we implement strict ethical standards in our procurement policy and work with suppliers who are committed to integrity and transparency. Company information is requested and each supplier is screened.

## **Metal**

### ***Labour related rights and the right to a safe and healthy working environment***

- **Risk:** poor working conditions and labour rights in metal processing facilities, such as unsafe working conditions, inadequate pay and harassment.
- **Control measure:** we work with suppliers who respect international labour standards, are audited and deal with Dutch laws and regulations.

### ***The right to a clean, healthy and sustainable living environment***

- **Risk:** during the steel production process, emissions of greenhouse gases, such as carbon dioxide (CO<sub>2</sub>) and methane, can contribute to climate change.
- **Control measure:** we work with suppliers who invest in energy-efficient technologies and use renewable energy sources (to support environmentally friendly processes). Areas for improvement are mainly focused on possible product certification.
- **Risk:** corruption and unethical business practices in the metal industry (Fair Business theme).
- **Control measure:** we implement strict ethical standards in our procurement policy and work with suppliers who are committed to integrity and transparency. Company information is requested and each supplier is screened.

## **Asphalt**

### ***The right to a safe and healthy working environment***

- **Risk:** poor working conditions and exposure to chemicals in bitumen production can lead to health risks for workers.
- **Control measure:** we work with suppliers who respect international labour standards and workplace safety (safety measures focused on protective equipment), who are audited and who deal with Dutch laws and regulations.

### ***The right to a clean, healthy and sustainable living environment***

- **Risk:** irresponsible extraction of raw materials for asphalt and its production can lead to environmental damage.
- **Control measure:** we promote sustainable extraction of raw materials and work with suppliers who are committed to environmentally friendly production. Areas for improvement are mainly focused on possible product certification.
- **Risk:** corruption and unethical business in the asphalt industry (Fair Business theme).
- **Control measure:** we implement strict ethical standards in our procurement policy and work with suppliers who are committed to integrity and transparency. Company information is requested and each supplier is screened.

## **Plastics**

### ***The right to a clean, healthy and sustainable living environment***

- **Risk:** the production and disposal of plastics can have harmful consequences for the environment (energy and raw material intensive).
- **Control measure:** we choose suppliers that implement environmentally friendly processes and use recycled materials. Areas for improvement are mainly focused on possible product certification.

### ***Labour related rights and the right to a safe and healthy working environment***

- **Risk:** poor working conditions, harmful consequences for workers' health (hazardous substances, high noise levels).
- **Control measure:** we work with suppliers who respect international labour standards and workplace safety, are audited and deal with Dutch laws and regulations. Procurement makes regular visits.

## **Natural stone**

Natural stone is preferably purchased from Dutch companies that are members of the IRBC Truststone Initiative. Heijmans also aims have a sustainable influence on the choice of the applicable natural stone in the design phase of projects already, for example by providing binding guidance to the architects working for us.

### ***Labour related rights***

- **Risk:** child labour and forced labour.
- **Control measure:** we work with suppliers who respect ethical working practices as described in Heijmans' procurement policy, code of conduct and Sustainability Statement.

### ***The right to a safe and healthy working environment***

- **Risk:** a lack of safety measures can lead to accidents and health risks (natural radioactivity in natural stone) for mine workers.
- **Control measure:** we strive for compliance with health and safety practices.

### ***The right to a clean, healthy and sustainable living environment***

- **Risk:** unregulated mining practices and inadequate environmental management measures can lead to environmental damage.
- **Control measure:** we work with suppliers who comply with environmental standards and are certified for sustainable natural stone.

## **Wood**

For our wood procurement, we do business with suppliers certified by the Forest Steward Council (FSC)/Programme for Endorsement of Forest Certification (PEFC). This certification protects the rights of employees. The certificate holder must refrain from child labour, forced labour and discrimination and must grant its employees freedom of association. We are aware that more and more forests are being converted into palm oil plantations and areas for soy cultivation or cattle farming. The main causes of deforestation have nothing to do with logging. Harvesting wood responsibly adds value to the forest. This reduces the financial need for forest owners to convert the forest into something else. Moreover, certified forests can't be replaced by anything else. They must remain forests.

### ***The right to a clean, healthy and sustainable living environment and labour related rights***

- **Risk:** unlawful seizure of land of indigenous communities can lead to violations of land and cultural rights.
- **Risk:** illegal and large-scale logging can cause environmental damage, including damage to biodiversity.
- **Risk:** poor working conditions in the forestry sector (inadequate safety measures, low pay).
- **Control measure:** we work with suppliers involved in sustainable forest management that adhere to the international labour standards.

We have also assessed the risks identified by the Safety and HR departments.

### ***Labour related rights***

#### **Social insecurity and equal treatment**

- **Risk:** social insecurity can lead to stress, anxiety and other psychological health problems. It can also lead to exclusion and discrimination based on different characteristics, such as gender, race, religion or sexual orientation.
- **Control measure:** we ensure an inclusive work environment that values diversity, we have appointed an integrity committee and confidential counsellors, and we focus on leadership-oriented programmes. Monitoring by means of a bi-annual employee engagement survey. This considers various themes, including discrimination and social security. We intervene in departments with insufficient scores. The feedback also results in training courses and meetings for the entire company (ethical business practice). This showed an upward trend in perceived social safety. We take complaints about discrimination seriously. Among other things, these can be reported to independent confidential counsellors. Our HR employees have undergone training on recognising their own biases in order to ensure a recruitment process that is as fair as possible, and we pass this knowledge on to our colleagues internally.

#### **Pay inequality**

- **Risk:** pay inequality can lead to reduced engagement and productivity, loss of talent and difficulties in retaining qualified employees.
- **Control measure:** we investigated pay inequality and increased pay where necessary. The upcoming Equal Pay for Women and Men Act can support this with its expected clear frameworks and indicators. Our pay is in accordance with the Construction and Infra / Metal & Technology collective labour agreement.

#### **Law on excessive working hours**

- **Risk:** long working hours can lead to fatigue, stress and an increased risk of accidents and health problems. They may also disturb the work-life balance. Excessive working hours can also lead to reduced productivity and quality of work.
- **Control measure:** excessive working hours is a sector-wide problem. The business monitors an effective time registration system, clear guidelines and policies, flexible working time arrangements and the encouragement a healthy work culture (Healthy Working Hours project). Excessive working hours and the reason for them are discussed with the manager and employee. The management is involved in the development of new initiatives and monitors the dashboard. We grant the number of standard leave days and additional leave days due to reduced working hours as described in the collective labour agreements. These number are much higher than the statutory minimum number of days. We also have a vitality programme for our employees to promote a good work-life balance. We offer training courses in that respect. Our policy on absence and reintegration also helps.

### **Migrant workers**

- **Risk:** migrant workers can be vulnerable to exploitation with low pay, long working hours, unreasonable working conditions and poor housing. Language differences can also cause communication problems and make it difficult to understand safety instructions.
- **Control measure:** Migrant workers are subject to the same labour laws as our own staff and we monitor their enforcement. In addition, we provide written instructions in several languages (Dutch, German, English and Polish) and our GO app is also available in these languages.

## **2024 analysis**

In 2024, we analysed Heijmans' entire value chain, including its own employees and the employees in the upstream and downstream value chain. Our annual report provides a visual presentation of the entire value chain. We are aware that a full visible representation of our value chain is a complex exercise. However, we already have a better understanding of the materials and products that pose a high risk of human rights violations. One example of this is the procurement of solar panels.

## Case: Solar panels

Solar panels are one of the most high-risk products in Heijmans' value chain, which is why we pay extra attention to them. To mitigate the risk of human rights violations, an explicit framework contract has been drawn up for the supply and installation of solar panels, which identifies and discusses the risks. We procure solar panels from two parties: a Dutch supplier with strict environmental and social standards and a global commitment to fair working conditions and human rights, and via a Dutch wholesaler. The Dutch supplier sells panels from the Netherlands or Switzerland, where human rights legislation is respected. In the Dutch wholesaler's value chain, the protection of human rights is strongly embedded in the code of conduct of the company manufacturing the solar panels, which works closely with stakeholders to identify and address any human rights impacts immediately.

### **2025 analysis**

The Human Rights Due Diligence document evolves over time, and we aim to update it every two years. One of the reasons why this document was developed is to identify and manage the material consequences, risks and opportunities of our business operations.

In the coming year, we will work on the further integration with ESG-related risks and controls. We will also integrate the operational impacts, risks and opportunities identified during the double materiality assessment into the existing risk framework next year.

Responsibility for human rights due diligence lies with the ESG committee. This committee is composed as follows: CEO/CFO, Director of Sustainable Development, representatives of CDS, Finance, Risk and ad hoc representatives of Procurement, HR and Legal. Where necessary, specific owners of a theme, data owners or experts will also join. This committee ensures that the process is followed every two years.

The recently updated CSR risk check will be used again for due diligence. This includes the addition of a priority check for the selected supply chains, in which the severity and probability levels determine what risk is most urgent. The 2023 analysis serves as a starting point for this. In addition to the CSR risk check, it will be investigated whether Social Life Cycle Assessments (S-LCAs) of different material flows can provide more insight into high-risk geographical areas within our value chain.

### 3. Measures to stop, avoid and mitigate risks

We have compared the information from our risk analysis with our policy. Based on our risk analysis, an early assessment of which risks require action has been conducted. A risk-mitigating factor for Heijmans is that our organisation only operates in the Netherlands and that most raw materials and products are sourced in Europe.

#### Labour related rights

We are aware that social security and equal treatment play an increasingly important role. 'I feel safe' and 'I can express myself safely' are things we want to develop more.

We also pay attention to the investigated pay inequality between different groups of employees, such as men and women. This risk is not limited to the right to equal pay, but may also have broader implications for the right to equal opportunities and non-discrimination. We feel a responsibility to tackle pay inequality to contribute to a fair, inclusive and equal working environment.

We also focus on excessive hours based on the Working Hours Act.

Following the insights resulting from the 2021 engagement survey on inappropriate behaviour, a new code of conduct has been created, additional confidential counsellors have been appointed and the ethical business practice programme has been introduced for all employees. We have also developed a toolbox 'Let your voice be heard – feel safe to speak up'. In addition to social security, Heijmans aims to make us all responsible for one another. This is encouraged by both the (higher) management and HR. Giving time and attention are seen as the most important factors in this regard.

The solutions (remedial actions) for a poor work-life balance are put in place depending on the person and may include working fewer hours, performing tasks with less pressure or fewer responsibilities. The Health and Safety Centre works with the manager to find customised solutions, which allow the involvement of corporate social work. On the one hand, the preventive approach is aimed at creating awareness among managers (and employees), particularly focusing on colleagues working on projects with many deadlines and a lot of physical and mental pressure. On the other hand, we offer the toolboxes Relax! Tips for less work pressure (NL/DE/PL) and Vitality.

HR give advice on behavioural change. The Health and Safety Centre and manager look at what is needed to remedy the employee's absence and examines whether the absence is necessary or whether there are opportunities for other/adapted work, thereby avoiding absence. In the event of serious accidents, HR follows the safety protocol, focusing on offering support and guidance to the colleagues directly involved.

#### The right to a healthy and safe working environment

Improving the internal safety culture starts with leadership behaviours, active management and learning and intervening. In order to embed safety in our business areas, our Safety department provides support with training and advice.

Safety recognises a number of focal points:

- Reduce non-binding guidelines. There are still too many non-binding guidelines. There is (too) little focus on achieving proactive objectives and ensuring the targeted standards.
- Embed safety discussions more firmly in the structure. The discussion about safety can be tied much more strongly to Heijmans' existing processes and routines.
- Learning from SCL4 audits. Insights from audit reports encourage us to finetune GO Compass! focus areas.

We involve our suppliers, subcontractors, associates and contract partners in our procurement and value chain responsibility. They sign framework or project contracts containing the Sustainability Statement and General Purchasing and Subcontracting Conditions (*Algemene Inkoop- en onderaannemingsvoorwaarden* or *AIOV*), which set out our code of conduct and respect for human rights. Human rights are therefore part of Heijmans' sustainable procurement policy and account management. Two important risk-mitigating factors are that Heijmans does not carry out any construction activities abroad and most of its raw materials and products come from Europe. The rest of the supply chain is exposed to such risks, however. Some of the risks are mitigated by purchasing certified products and certified suppliers. One example is the requirement to only source sustainably certified wood (both FSC and PEFC).

As an organisation, we aim for zero accidents per year. People will always make mistakes in the workplace, so zero accidents is not always achievable. When a serious accident occurs, it has a significant impact on the employee, their colleagues and the organisation. It is therefore very important for us to devote a lot of time and attention to this. We therefore work safely, or we don't work at all.

#### The right to a clean, healthy and sustainable living environment

Transparency in our supply chains is very important to Heijmans. We only do business with subcontractors that are VCA-certified according to the standard health, safety and environment checklist for contractors. We work with our preferred suppliers as much as possible. When we do choose a different supplier, separate arrangements are laid down in project agreements. We store stores and update all data from our direct suppliers in a supplier database. In addition, we mostly work with sustainably certified materials.

## 4. Monitoring

We monitor the practical application and results, including the extent to which any negative impacts have been adequately addressed, using quantitative and qualitative indicators. We do this periodically and integrate this into the reporting process. The monitoring responsibility lies with various staff, which are supervised by the Group Board and Executive Board. This monitoring allows our organisation to assess whether the measures taken are effective and whether improvements are needed.

### Labour related rights

The measures taken are checked by gaining feedback from employees. Employees can contact their manager or HR at any time. It is also possible to discuss matters in private with a confidential counsellor. Posters and information sheets are available internally to encourage employees to issue reports when needed.

In order to outline the theme of social security even better, the engagement survey (autumn 2023) asked in-depth questions about inappropriate behaviour. This showed that approximately 70% of employees who issued a report are satisfied with the way the issue report was handled. We were also able to look at specific departments and perform interventions where necessary.

Discussions with subcontractors and suppliers pay attention to rest and leisure time, the working hours of employees in the value chain and protection against forced labour.

### Rights related to health & safety

In terms of safety, independent audits have been carried out on the construction site and with subcontractors; level 4 of the Safety Culture Ladder has now been reached. By signing the Governance Code for Safety in Construction, we are making safety awareness an obligation in our tenders and contracts. We refer to this joint arrangement as tender safety. The Safety Culture Ladder is used to make organisations' safety awareness measurable, transparent and comparable.

The GO! Compass supports a proactive safety culture. The GO! App makes it easy to issue reports; depending on the situation of the colleague who is issuing the reports, colleagues are informed about the issue report in the same workflow. A dashboard (IRIS) is used with an enforcement policy applied to the issue report.

We distinguish between:

- Issue reports on hazardous situations – type and status of the issue report are communicated, Business Unit Manager is responsible.
- Lost Time Incident Issue Reports – these issues report use the 1-3-14 method, analysing incidents on the first, third and fourteenth day, and including an investigation and actions. This topic is on the agenda of each management meeting (per business area).

There are approximately 2,500 issue reports per year.

Safety is further monitored by the following quantitative performance indicators: Number of accidents: total incl. subcontractors, number of fatalities and injury frequency rate (IF).

Procurement uses purchasing checklists. Procurement performs an extensive check to ensure that a supplier of IT services and/or products has properly managed its security. This is done by means of IT questionnaires and/or ISO standards that guarantee data protection (security).

### The right to a clean, healthy and sustainable living environment

Procurement uses a Corporate Social Responsibility (CSR) questionnaire for discussions with suppliers. This includes questions on how an organisation specifically contributes to improvements in social aspects, such as working conditions, health, safety and the environment, both at the parties' own project sites and those of clients in the contractor's value chains.

Supplier assessments take place periodically and at least once a year. Interviews are organised to check whether they comply with the signed arrangements, including the Code of Conduct. Discussions are held several times a year with large suppliers (size based on revenue). The results of these discussions are recorded in Supplier Relation Management (SRM). If the collaboration is terminated, this is also recorded in SRM. A business area can only do business with a supplier associated with previous disputes or negative experiences after approval by Procurement. The MVI Procurement Information Platform reports on objectives, status, planning and actions for each CSR core theme and subject.

Procurement works with 12Build, which is a tool to ensure transparency between client and supplier. The tool makes it possible to assess construction specialists and suppliers and select parties that meet our organisation's quality requirements.

There is also an incidents database (registration by means of yellow/red cards). A red card is issued in the event of serious violations by suppliers or subcontractors. These may relate to unethical behaviour, bribery, human rights violations, etc. An employee with a red card is dispatched from the construction site. If it concerns a company, the cooperation is terminated. The party is blocked in datamaster, after which it is no longer possible to do business with it via Heijmans systems.

If there is a serious suspicion that partners are violating the Code of Conduct and/or Sustainability Statement, Heijmans is entitled to have an audit carried out by an independent party. This is stipulated in the General Purchasing and Subcontracting Conditions (*Algemene Inkoop- en onderaannemingsvoorwaarden* or *AIOV*), Article 2.2. Any damage, including the costs of the aforementioned audit, shall be borne by the contractor.

## 5. Communication

We will keep stakeholders continuously informed of our due diligence process on our website [www.heijmans.nl](http://www.heijmans.nl).

Within our own organisation, the due diligence process will be highlighted in our Viva Engage sharepoint environment, newsletters and emails.

We are taking our actions in terms of accidents one step further. After all, safety is our top priority. In the [www.geenongevallen.nl](http://www.geenongevallen.nl) environment, toolkits are available under the section GO! Learning effect (lessons learned, future accident prevention). These are discussed and applied in the business. We also share this information with the industry, so that the industry can also learn from our accident analysis and remedial actions.

In the coming years, communication will continue to be an important focus area concentrating on the involvement, information and active participation of employees and external stakeholders.

As of the 2024 reporting year, our reports follow the Corporate Sustainability Reporting Directive (CSRD) guidelines.



## 6. Remedial actions

Affected (internal and external) stakeholders can report abuses using the existing complaint mechanisms, complaint reporting procedure and whistleblowing systems. The whistleblowing system has been adapted based on the latest legislation and regulations, aimed at reporting infringements of EU rights.

We work in accordance with the Heijmans 'How we work' code of conduct. This is mandatory for everyone who deals with Heijmans: the board, our (temporary) colleagues, but also our partners, subcontractors and suppliers. It provides tools and guidance on how to deal with dilemmas.

Our website also contains information on what can be done in the event of inappropriate behaviour or suspected abuses, as set out in the Reporting Procedure for Inappropriate Behaviour and Integrity and Abuses. In order to effectively contribute to recovery in the event of a negative material impact, each situation is assessed individually. Due to the diverse nature of these situations, a uniform approach is not possible. Any issue reports are carefully investigated and discussed anonymously by the Executive Board. The measures required to counteract/limit the negative consequences are examined. The Compliance Officer keeps a record of all issue reports. Employees throughout the value chain can submit these directly to the Compliance Officer. Our own employees can submit them via a confidential counsellor or directly to the Compliance Officer. When an issue report is received via a confidential counsellor, it is forwarded to the Compliance Officer.

Every quarter, confidential counsellors provide an anonymised overview of the number of received issue reports by type. This review is reported to the Executive Board, Supervisory Board and Auditor every six months. The effectiveness of the measures taken is evaluated by the Integrity Committee, which also takes into account information provided by the Works Council on this subject.

Our complaint mechanisms are accessible to all affected stakeholders, although we have set ourselves the goal of positioning the complaint mechanism for our value chain partners more clearly on our website in the coming years. This allows us to obtain adequate information about possible violations and abuses. Our ambition is to work with our value chain partners to determine what we can and should do to next based on this information in order to minimise these reported violations and abuses and stop them from happening again.

# Conclusion

The many aspects of human rights are considered throughout the company. We implement it in policies, documents, collaborations and projects. This analysis has been able to identify what Heijmans is doing to protect the human rights of our own employees and those in the value chain. Overall, our risk of human rights violations is low, as we operate in the Netherlands and almost all our suppliers come from Europe. We are an agile company with sustainable ambitions and changing projects. We want to make an impact on a more sustainable society with our work and products.

With the influence and added value that we as a company have in society, human rights deserve a place in our policy. That's why it's important that we cast a critical eye on our own part in this. It is also important for Heijmans to monitor its subcontractors and suppliers more closely and to cooperate constructively. Due to the large number of partners involved, a clear monitoring policy for partners on human rights is essential. In the coming years, we will strive to extend the scope of this report and conduct research into our tier 2 and 3. We will achieve this by leveraging and further strengthening our current processes. It's also important to get a complete picture of the expectations of our various stakeholders. We also want to request the input of the external stakeholders, for example in a stakeholder meeting.

Human rights is a topic that must be promoted across the organisation. At the same time, it is also important that initiatives and documents come together and can be found in one central place. This document will be used for this purpose. This document aims to raise awareness of the actual meaning of human rights and their significance for Heijmans.

# Appendix

## Appendix A: Third party standards or initiatives

Subject	Standard/initiative	Explanation
Human rights, labour, (living) environment and anti-corruption	OECD Guidelines on Multinational Enterprises	Recommendations to multinational companies on responsible business conduct, including guidelines on human rights, working conditions, environment, transparency and anti-corruption. Heijmans supports these guidelines.
Human rights	UN Guiding Principles on Business and Human Rights	Promote human rights, prevent and address violations, contribute to recovery processes, develop policies that respect human rights. Heijmans supports these guidelines.
Labour rights	International Labour Organisation	An UN agency committed to promoting labour rights, improving working conditions and promoting decent work worldwide. Heijmans supports these guidelines.
Labour law and working conditions, freedom from violence and coercion and prevention of corruption and fraud	MVI – ISO20400	Sustainable procurement guidelines to help organisations integrate environmental, social and economic sustainability into their procurement processes. Heijmans follows the ISO standard.
	NEN 4400 quality mark	Ensuring the reliability of temporary employment agencies and (sub)contractors by checking their compliance with legal obligations relating to wage taxes, social security contributions and the prevention of illegal labour. Heijmans refers to this quality mark in the General Purchasing and Subcontracting Conditions ( <b>Algemene Inkoop- en onderaannemingsvoorwaarden</b> or <b>AIOV</b> ).
	The health, safety and environment checklist for contractors (VCA)	A certification that helps companies ensure safe and healthy work practices by meeting stringent health, safety and environmental requirements. Heijmans' General Purchasing and Subcontracting Conditions ( <b>Algemene Inkoop- en onderaannemingsvoorwaarden</b> or <b>AIOV</b> ) refers to the health, safety and environment checklist for contractors (VCA).
	Dutch Foundation for Integrity Assessment in the Construction Industry ( <b>Stichting Beoordeling Integriteit Bouwnijverheid</b> or <b>SBIB</b> )	Assesses and certifies companies in the construction industry for their compliance with integrity standards, such as transparency, fair business and prevention of fraud and corruption.
Safety	Safety Culture Ladder	Development perspective for safe behaviour and attitudes in all layers of the organisation.

