

Sustainability Report 2013

Kerkstoel Group – Grobbendonk

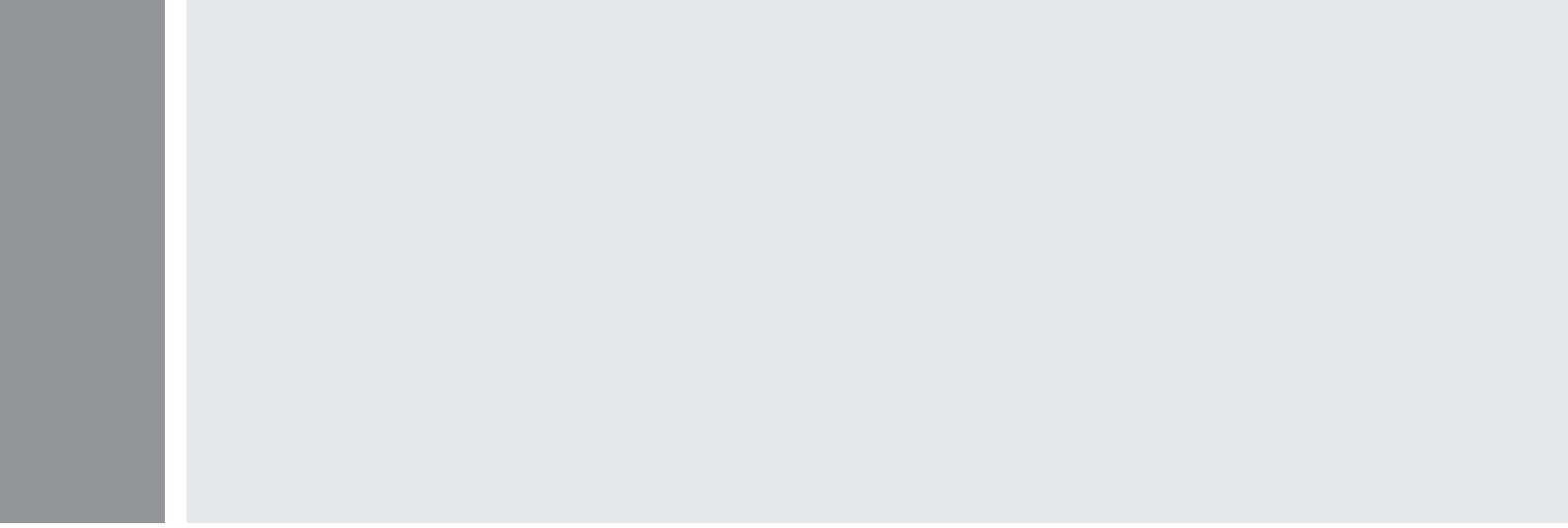




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Preface

No one will deny that the economy has gone through turbulent times in recent years. Organisations are swept along by tides that they are not always in control of themselves. They are forced to adapt quickly to rapidly changing market demands. And despite its long history in the construction sector, this is no different for the Kerkstoel Group.

Being a family-run SME, we have been aware for some time of the need for a flexible and proactive approach in terms of both our organisation and our products in order to achieve ongoing customer loyalty.

For several years, we have been making concerted efforts to obtain ISO9001, ISO 14001 and OHSAS 18001 certification. This entails our operating processes being voluntarily audited in terms of quality, environmental and work safety performance by both in-house and external bodies.

And we are more than happy to do so, because more than ever before, there is a market-driven demand for sustainability – and rightly so, in our opinion. After all, we are merely borrowing the earth's resources from our children and grandchildren.

By paying attention to the environment, we also want to gain a competitive edge as part of the quest for sustainable development. Our aim is to avoid waste by managing and controlling the use of energy and natural resources. Preventing environmental nuisance and pollution is consequently a key target.

We will continue to focus on the sustainable nature of our organisation on the strength of a long-term vision with respect for both mankind and the environment. This sustainability report is further proof of our intentions. It covers the main aspects of sustainability within our sector. We want to communicate these issues to all stakeholders in a transparent and sincere way, on the basis of the core option of the GRI 4 index.

Vincent Kerkstoel,
Managing Director of the Kerkstoel Group.

01. Organisation profile

1.1. General

Groep Kerkstoel nv, which is based in Grobbendonk - Belgium, is a holding company 100 % owned by the Kerkstoel family.

The Kerkstoel Group also provides the following general management services to its subsidiaries:

- Human Resources
- ICT
- Finance and Accounting
- Quality assurance management & concrete technology
- Environmental management
- Safety management

The group's main subsidiaries are:

- Kerkstoel 2000+ nv: established in 1992, specialising in the production of concrete prefab elements such as floor slabs and double walls.
- Kerkstoel Beton nv: established in 1992, specialising in the production of ready-mixed concrete and associated products (such as mortar, foamed concrete, self-sealing concrete, etc.)
- Immo Catenberg nv: established in 2006, an industrial real estate owner.



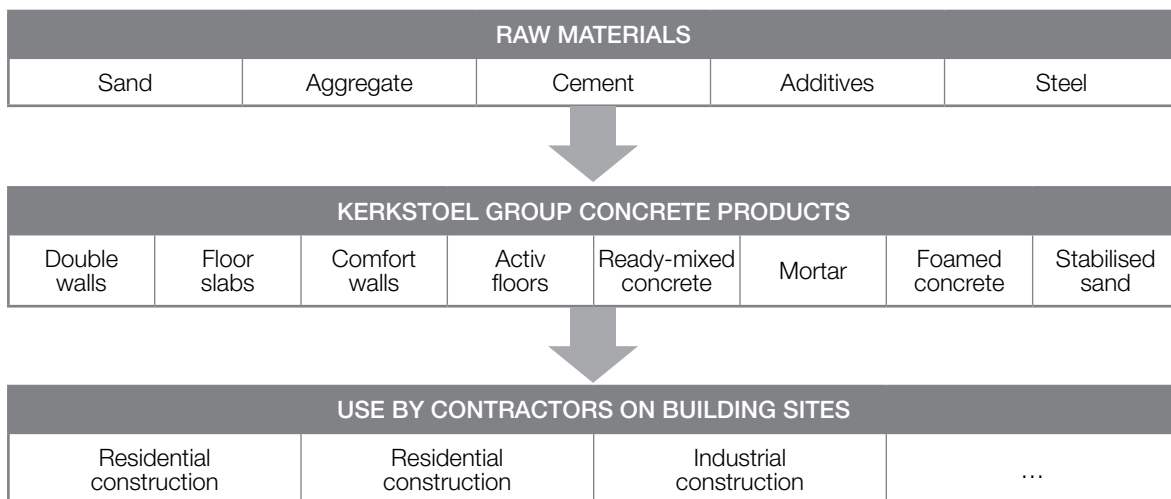
Both Kerkstoel 2000+ and Kerkstoel Beton are concrete producers, involved in operations that have a clear impact on the environment. To a large extent, they use similar production methods and share some facilities/assets. In view of this relationship, this sustainability report deals with both companies together. Immo Catenberg is not involved in specific operations that have an impact on the environment, which is why the company does not feature in the rest of this report.

The Kerkstoel family has been active in the construction industry since 1902. The Board of directors currently includes fourth generation family members. The day-to-day management of the production companies is observed by a general manager/director.

The Kerkstoel Group and / or one of its subsidiaries is / are a member of Voka, Febe and Syspro.

1.2. Description of the production chain

The Kerkstoel Group produces concrete products for application in almost all types of structures.



1.3. Total management system and quality labels

The Kerkstoel Group aims to excel in its quest for quality, safety and the environment by continually improving its awareness and performance in these fields.

Only by investing in quality, safety and the environment can our organisation achieve sustainable development for the benefit of all our employees, customers, suppliers and society as a whole.

The pursuit of this goal resulted in the acquisition of the following quality labels:

- Benor on ready-mixed concrete for the Belgian market
- Benor on floor slabs and double walls for the Belgian market
- Komo for the Dutch market
- Güteschutz for the German market
- Avis technique on double walls for the French market.

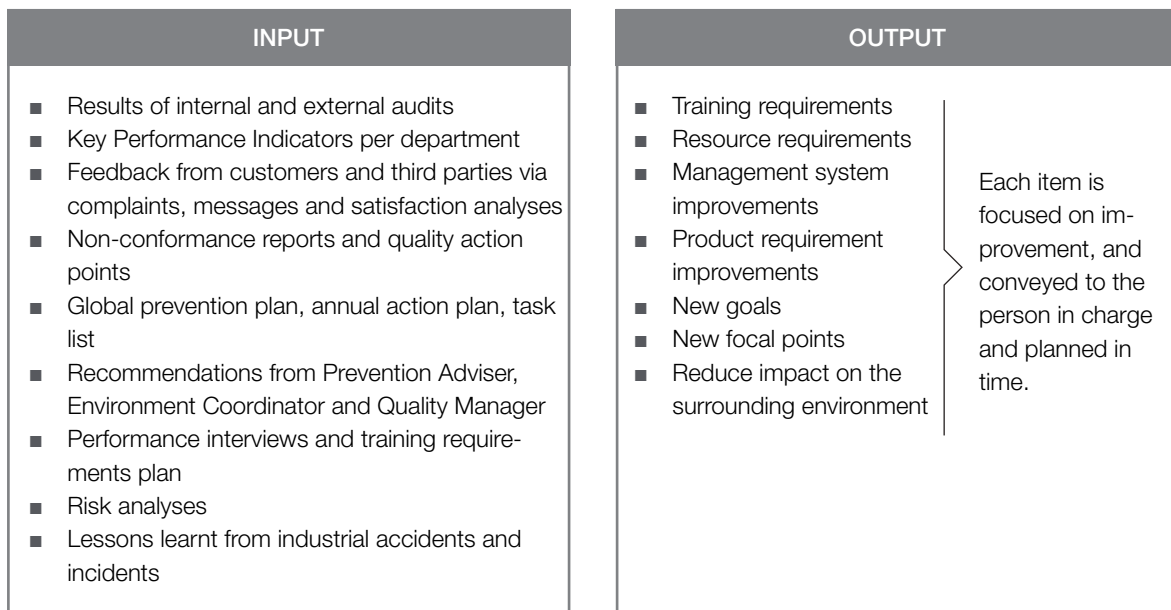


The following certificates - ISO9001 quality management, ISO14001 environmental management and OHSAS 18001 occupational health and safety – were also acquired and developed into a comprehensive care system that enables us to manage internal operating processes and:

- Identify risks;
- Develop methods to eliminate these risks;
- Implement measurements to evaluate improvements;
- Realize continual improvement.

The Kerkstoel Group provides the resources and training opportunities necessary to realise the proposed policy. The system and results are audited periodically, both internally and externally.

Our total management system is illustrated below:



02. Identification of relevant sustainability issues

2.1. Developing a CSR passport

Ethical awareness with respect to sustainability and corporate social responsibility (CSR) is becoming increasingly important in the ready-mixed and prefabricated concrete industry. Because (prefab) concrete is a sustainable product, this development is providing the industry with a unique opportunity: raw materials are sourced locally and totally recyclable. This objective can be demonstrated with sustainability reports.

Demand is also increasing amongst the various stakeholders to implement and substantiate sustainability. For example, sustainability criteria are increasingly being incorporated into tender processes, and local residents and employees are keen to find out how we manage our corporate social responsibility.

The Global Reporting Initiative (GRI) has also provided organisations with an international standard for sustainability reports.

Under the auspices of FEBE, the Belgian Federation for the Concrete Industry, spurred on by the Flemish Government and supervised by Sustenuto (independent consultants), a project to create a CSR passport was initiated at the end of 2013.

A GRI report is focused on 10 key principles across topics relating to content and quality:

CONTENTS:

- Materiality (reporting on what is important for the organisation).
- Stakeholder approach (use it to define stakeholders and dialogue).
- Sustainability context (the description of the organisation's activities must match the context within which it operates).
- Comprehensiveness (readers must be able to recognise a correct description of the organisation's challenges, activities and impact).

QUALITY:

- Balance: both good and bad results must be considered.
- Comparability: readers must be able to benchmark results over time and with others in the industry.
- Accuracy: information must be sufficiently detailed.
- Regularity: reports must be submitted at regular intervals.
- Reliability: the information in the report must stand up to external scrutiny and verification.
- Clarity: information must be unequivocal and comprehensible.

All stakeholders were then invited, under the auspices of FEBE, to convene in order to define CSR topics that are relevant to the industry, i.e. topics that reflect a significant sway from companies in the prefabricated concrete industry.

The definition of these topics was approved by the following institutions:

- Vlaamse Overheid WSE (Steunpunt Werk en Sociale Economie) – Flemish Government WSE (Work and Social Economy Support Network)
- ACV
- CEDUBO (Centrum voor Duurzaam Bouwen – Centre for Sustainable Construction)
- WTCB (Wetenschappelijk en Technisch Centrum voor het Bouwbedrijf – Scientific and Technical Centre for the Construction Sector)
- OCW (Onderzoekscentrum voor de Wegenbouw – Road Construction Research Centre)
- OVAM (Openbare Vlaamse Afvalmaatschappij – Flanders Public Waste Agency)
- Grontmij
- Flemish Government, Mobility and Public Works Department – Concrete and Steel



The following topics were eventually adopted:

CATEGORY	SUB CATEGORY	ASPECTS
Economic		<ul style="list-style-type: none"> ■ Economic performance ■ Purchasing policy
Environmental		<ul style="list-style-type: none"> ■ Materials ■ Energy ■ Water ■ Emissions ■ Waste and waste water ■ Products and services ■ Transport ■ Supplier environmental assessment
Social	Employment conditions	<ul style="list-style-type: none"> ■ Employment opportunities ■ Health and safety ■ Training and education ■ Diversity and equal opportunities
	Product responsibility	<ul style="list-style-type: none"> ■ Consumer health and safety

The Kerkstoel Group sustainability report is based on this CSR passport and the 10 principles governing the content and quality of a GRI report.

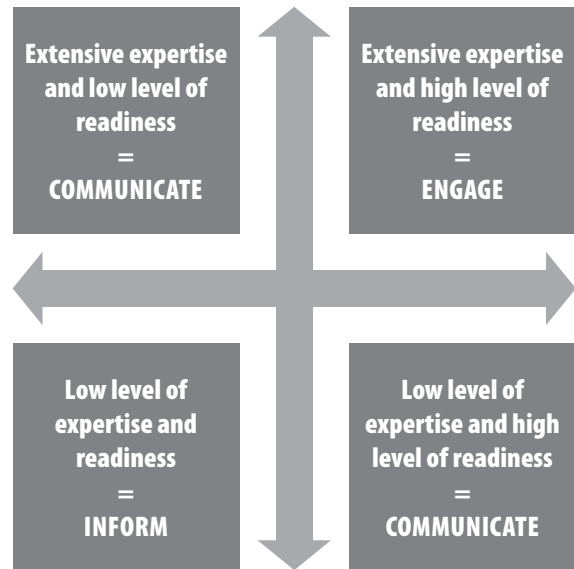
03. Structural dialogue with stakeholders

The Kerkstoel Group aims to involve the stakeholders who are affected by the decisions or who could influence the implementation of the decisions, in the decision-making process. By engaging in a dialogue with these stakeholders, the Kerkstoel Group obtains a clearer picture of what they consider to be a sustainable and socially responsible enterprise.

The following groups are partners in this dialogue:



The quality and quantity of the dialogue with stakeholders depends upon an assessment based on the respective level of expertise and readiness to enter into dialogue, i.e.:



The term **'inform'** is meant for stakeholders who are looking for information without entering into dialogue with our organisation. We could, for example, target them via a marketing campaign, newsletters, sustainability reports, etc.

→ This happens with the local society in which we operate.



The term **'communicate'** refers to stakeholders with a high level of readiness or expertise who are keen to enter into dialogue with our organisation. We could, for example, target them using social media, company visits, exploratory visits, technical documentation, etc.

→ This happens with prospective clients, legislators, students and applicants.

The term **'engage'** refers to stakeholders our organisation needs to get involved with. This could, for example, be achieved via joint ventures, evaluation meetings, administrative permits, customer satisfaction analyses, etc.

→ This happens with the management, shareholders, employees, customers, suppliers and the government.

Bouw aan je toekomst, kies voor beton.

Pluover je de 2312 tot hoogte met **Grubbeestek**, dat zie je als boot? Het is juist! Het is een **Kerkstoel 2000**, uniek in zijn soort. Het is een innovatief en modern product. Door 'virtueel' ondernemerschap zijn we uitgeroepen tot de standaard binnen de productiesector. Ons team uit 123 werknemers die denken het dagelijks engagement mee te maken aan een vroege toekomst. Op dit moment zijn we op zoek naar een:

Betontechnoloog m/v

- Je bent verantwoordelijk voor het beheer en de optimalisatie van de betonrecepten.
- Je bent verantwoordelijk voor de controle van de kwaliteit van het beton en de kwaliteit van de gemaakte betonconstructies. Het is voor je de verantwoordelijkheid om te zorgen voor de juiste kwaliteit van het beton.
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Productie-arbeider m/v

- Je werkt als arbeider in een geautomatiseerde productie-omgeving voor de productie van betonconstructies.
- Je hebt oog voor kwaliteit en veiligheid in een 24-uursdienst.

Bouwkundig CAD - tekenaar m/v

- Je bent verantwoordelijk voor het ontwerpen van betonconstructies met behulp van CAD-programma's.
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Laborant m/v

- Je bent verantwoordelijk voor de controle van de kwaliteit van het beton en de kwaliteit van de gemaakte betonconstructies. Het is voor je de verantwoordelijkheid om te zorgen voor de juiste kwaliteit van het beton.
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Onderhoudstechnicus m/v

- Je bent verantwoordelijk voor de controle van de kwaliteit van het beton en de kwaliteit van de gemaakte betonconstructies. Het is voor je de verantwoordelijkheid om te zorgen voor de juiste kwaliteit van het beton.
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Sales Representative m/v

- Je bent verantwoordelijk voor de verkoop van betonconstructies aan klanten.
- Je bent verantwoordelijk voor de verkoop van betonconstructies aan klanten.
- Je bent verantwoordelijk voor de verkoop van betonconstructies aan klanten.

Werkbod

- Wij bieden je een uitdagend contract voor een periode van 12 maanden met een wettelijke voorlop.
- Je wordt ingezet in een professionele omgeving met regelmatige persoonlijke begeleiding & ontwikkeling.

Interesse? Solliciteer via jobs@kerkstoel.be

Kerkstoel 2000 NV
 Industrieweg 11
 B-1100 Brussel
 T: +32 (0) 20 21 11 11
 F: +32 (0) 20 21 11 11
 www.kerkstoel.be

04. Report profile

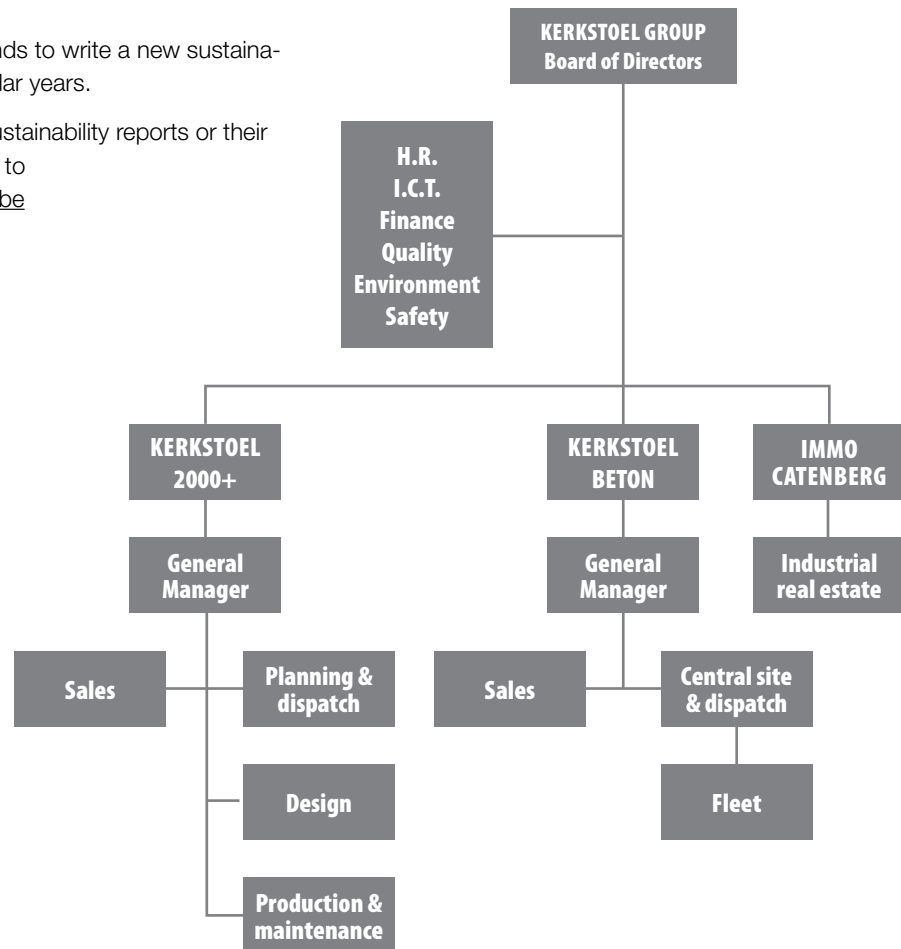
The information provided in this report relates to the 2013 calendar year.

The Kerkstoel Group intends to write a new sustainability report every 2 calendar years.

Questions pertaining to sustainability reports or their content can be submitted to duurzaamheid@kerkstoel.be

05. Management structure

The organisation structure is as follows:



06. Vision, mission and values

6.1. Vision

The Kerkstoel Group maintains that the industrial prefabrication of concrete elements offers a solution for the challenges construction companies are facing today. In the present construction culture, construction companies must deliver diverse projects ever faster, using less personnel and at a minimum cost – without losing sight of quality, safety and the environment.

The Kerkstoel Group is certain that prefabrication will become even more important in the future.

The Kerkstoel Group has opted for concrete because it is by far the most reliable and versatile building product.



6.2. Mission

The Kerkstoel Group resolutely aims to:

- offer the best quality on the market by implementing and managing appropriate QA systems,
- enter into personal and long-term relationships with both customers and suppliers,
- be highly flexible using short-run decision-making and a level structure,
- continually motivate its staff with unequivocal agreements, targeted objectives and participation,
- adopt a progressive approach in relation to all the technologies we employ,
- promote sustainable development by including safety and the environment in all policy areas,
- be governed by the principles of corporate governance.

6.3. Values

Our 123 employees are the mainstay of the company – all with unique personalities but totally committed to the 3 Kerstoel values:

Flexibility

Our conduct and approach is adapted to the situation and the people we have to deal with.

Client focus

Our activities are geared to the requirements and wishes of internal and external customers - even if they are not explicitly articulated.

Teamwork

We proactively contribute to shared results and/or to problem or conflict solving.

07. Financial indicators

The Kerkstoel Group has been active in the construction industry for many decades. During that time, investments were made in up-to-date and profitable production methods, always within a context of financial independence and buffering, to ensure that the group is financially sound and a reliable long-term partner.

A few consolidated key data:

	2010	2011	2012	2013
Turnover (x1.000€)	27.942	29.908	33.918	33.333
Turnover growth	100	107	121	119
Added value	36,0%	32,0%	32,0%	32,0%
EBIT margin	5,3%	2,7%	6,3%	5,3%
EBITDA margin	11,1%	8,1%	11,1%	9,1%
Current ratio	3,1%	3,1%	2,9%	3,2%
Solvency ratio	62%	65%	69%	69%

The Kerkstoel Group is highly localised and focused on the following geographical markets:

Region	2011	2012	2013
Belgium	94%	96%	96%
The Netherlands	5%	2%	0,5%
France	1%	2%	3,5%

08. Purchasing policy

The Kerkstoel Group purchasing policy encourages local purchases where possible in order to promote economic development and employment opportunities.

This results in the following data:

	2011	2012	2013
Purchases in Belgium	67,5%	68,8%	78,4%
Purchases abroad	32,5%	31,2%	21,6%



09. Material consumption

Being a producer of ready-mixed concrete and reinforced prefab concrete, the Kerkstoel Group mainly uses the following raw and other materials:

- Steel
- Cement
- Sand
- Aggregate
- Additives

The following quantities were consumed in recent years:

(tonnes)	2011	2012	2013
Steel	7.024	7.944	8.214
Cement	52.156	55.007	58.200
Sand	151.812	147.497	150.502
Aggregate	160.061	173.630	176.234
Additives	421	417	468

9.1. Granulate (sand and aggregate)

The quarry industry has been actively promoting biodiversity for several years. Quarries are a valuable habitat for many animal and plant species, and quarry operators want to maintain and promote this wealth wherever possible. Reed beds, flower meadows, ponds, animal shelters, nesting boxes, etc. are all part of this objective.

These types of redevelopment plans are part of the environmental licensing policy, which also ensures consultation with local residents, politicians and industry.

On 15 December 2010, Fediex (the Belgian Quarry Association) submitted an initial biodiversity action plan based on three key elements :

1. Promoting awareness amongst both the internal and external public: informing quarry operators and the outside world – using appropriate communication policies – about the contribution of quarrying operations to biodiversity, within the framework of existing quarrying and redevelopment practices;
2. Formulating a basic document to demonstrate that biodiversity and quarrying are compatible, i.e. by describing various actions that can reconcile biodiversity with quarrying activity (protecting nests during the breeding season, etc.).
3. Formulating and organising specific training for quarry personnel focused on successful biodiversity management being part of quarrying operations.

Marine sand and aggregate extraction in legally designated areas, so-called controlled zones. Sand and aggregate can only be extracted with a concession supplied by the FPS (Federal Public Service) Economy. This permit stipulates the times and controlled areas in which extraction can take place. Concession holders pay a fee in accordance with the volume they have extracted. Funds collected from the concession holders are exclusively used for ongoing further research into the impact of sand and aggregate extraction on the seabed and marine environment.

The Continental Shelf department uses sonar equipment to produce detailed charts of the seabed, which facilitate the evaluation of the impact of extraction on the morphology of the seabed. The biological impact of sand extraction on marine life is also investigated. These activities are carried out in conjunction with the Institute for Agricultural and Fisheries Research. Finally, the Management Unit of the Mathematical Model of the North Sea studies the ecosystem in the North Sea using

mathematical models. If a model agrees with the findings, it can be used for management purposes and to make certain predictions.

There is no alternative to the use of sand and aggregate in the production of concrete, which means that the impact of the Kerkstoel Group on suppliers is fairly limited.

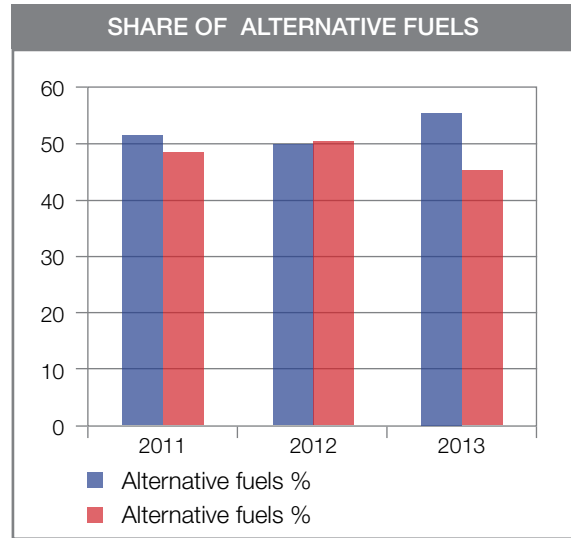
It should be noted, however, that concrete can be completely recycled, to be reused as concrete granulate in various chains, such as road construction. It is anticipated that these secondary raw materials will be used more extensively in the future.

Moreover, the Kerkstoel Group intends to submit to a material scan in the course of 2014 in order to further limit the known and hidden impact of the materials it uses.

9.2. Cement

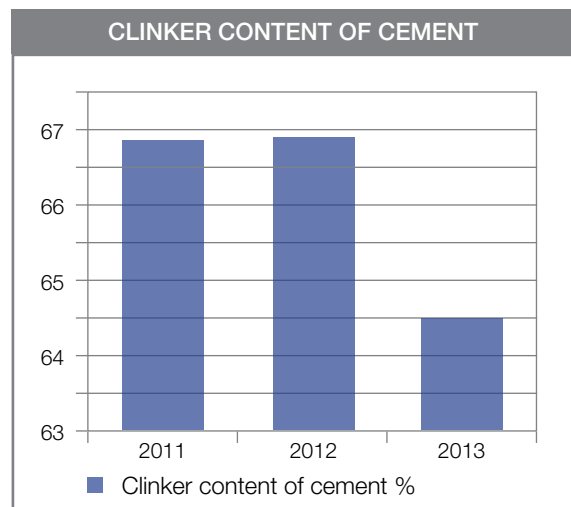
Being a quick-setting bonding agent, cement is an irreplaceable component of concrete production. Cement production is traditionally an energy-intensive process associated with high CO₂ emissions.

The cement industry is well aware of this environmental impact and nowadays wants to be a significant market player and pioneer in the use of secondary raw materials and alternative fuels – with increasing success.



(Source: Annual Report FEBELCEM 2013)

Alternative fuels, such as sewage sludge or animal waste, are now supplying more than half of the energy required to produce clinker.



(Source: Annual Report FEBELCEM 2013)

In 2013, the cement industry used a lower percentage of clinker than in previous years due to the use of slag or fly ash. The maximum share, which is dependent upon several factors (including hardening time), is described in EN 197/1.

EPDs (Environment Product Declarations), issued by the Cement Industry Federation (FEBELCEM), are available for CEM I, CEM II and CEM III. They provide verified and quantitative information on standardised environmental implications during all stages, from production to consumption to destruction.

Summary of impact for CEM I, CEM II, CEM III*



	CEM I	CEM II	CEM III
Raw materials (kg/1000 kg)	1.642	1.535	1.371
Water consumption (m ³)	163	207	133
Energy consumption (MJ/1000 kg)	7150	5647	4264
Electricity consumption (MWh)	0,12	0,06	0,09
Impact on climate change (kg CO ₂ eq / 1000 kg)	909	714	475
Impact on acidification (kg SO ₂ eq / 1000 kg)	2,49	2,00	1,29
Impact on depletion of ozone layer (kg CFC-11 eq / 1000 kg)	0,00	0,00	0,00
Impact on photochemical oxidation (kg C ₂ H ₄ eq / 1000 kg)	0,26	0,21	0,13
Impact on eutrophication (kg PO ₄ eq / 1000 kg)	0,49	0,42	0,32
Generation of hazardous waste (kg/1000 kg)	160,39	177,47	114,79
Generation of non hazardous waste (kg/1000 kg)	15,40	18,64	12,91

* figures not in accordance with latest NBN EN 15804 amendments

9.3. Steel

Reinforcing steel consists of 100 % recycled steel.

The reinforcing steel mesh used by the Kerkstoel Group is entirely made to measure to prevent excess use.

The formwork used by the Kerkstoel Group to produce concrete prefab elements consists of more than 95 % aluminium, which is 100 % recyclable.

10. Water

Water is a key element in the production processes throughout the entire Kerkstoel Group.

In 2012, the Kerkstoel Group was awarded a zero emission statute indicating that the production process does not discharge any waste water, only sanitary waste water and non-polluted rainwater.

This implies that recycled water is used for the production of concrete and for cleaning vehicles, thus reducing the use of raw materials.

The water balance for 2013 is as follows:

WATER BALANCE 2013		m ³
Intake quantities	Derived from the Albert Canal	12.156
	Collected and purified rainwater	4.701
	TOTAL	16.857
Water consumption concrete production	Concrete production	18.555
	Mortar production	326
	Foamed concrete production	82
	Stabilised sand production	30
	Road concrete production	21
	Truck and wash area cleaning	156
	TOTAL	19.170
Discharged quantities	Sanitary waste water	752
	Industrial waste water	0
	TOTAL	752

11. Energy consumption within the organisation

ELECTRICITY	2011	2012	2013
Energy consumption in kWh	2.116.727	2.196.190	2.142.377
Related to turnover	0,071 kWh/€	0,065 kWh/€	0,064 kWh/€
Renewable energy share	100%	100%	100%

OIL	2011	2012	2013
Energy consumption in litres	426.449	406.832	462.871
Related to turnover	0,015 l/€	0,014 l/€	0,014 l/€



The electricity used by the Kerkstoel Group during the reference years was 100 % recyclable (solar, wind, biomass, etc.) and resulted in minimal greenhouse gas emissions.

In order to minimise and keep energy consumption under control, the Kerkstoel Group has imposed the following measures in recent years:

- Insulation of boilers and pipework.
- Insulation of drying chambers.
- Adaptation of concrete formulas.
- Periodic replacement of thermal oil.
- Replacement of existing lighting with more efficient (LED) lighting.
- Heat pumps running on ground water recuperation and circulation were installed for the new offices. This uses no fossil fuels, thus reducing greenhouse gas emissions.
- Replacement of compressors with variable frequency drives (VFD).
- Management of the compressed air network to limit leakage.
- The truck fleet is equipped with EURO IV and EURO V motors to minimise the fleet's impact on the use of fossil fuels and emissions into the atmosphere.

12. Emissions

The main emissions from the production process are the CO₂ emissions from cement production and transport. These emissions are described separately in items 9.2 and 14.

The (prefab) concrete production process also has the following environmental impact:

- Vibration (noise)
- Dust emission from the processing of sand, aggregate and cement.
- Fine dust emissions from combustion processes.

12.1. Vibration (noise)

The Kerkstoel Group production site is located on an industrial site between the Albert Canal and the E313 motorway, which minimises additional nuisance from its operations for the surrounding area. The following additional measures were introduced to prevent further impact on the immediate environment:

- Production takes place in buildings where doors and gates are kept closed at all times. The entire concrete mixing plant was encased to keep noise emissions to a minimum.
- The compressors are located in a separate, vibration-insulated area.
- The pump for the geothermal power unit for the offices is encased in an insulated low noise housing.
- Acoustic measurements were taken and the workforce is equipped with appropriate ear protection in the production area.

12.2. Dust emission from the processing of sand, aggregate and cement

Aggregate processing is associated with dust emissions. To this end, the following measures were imposed:

- Sand and aggregate are stored in partly submerged silos shielded on three sides to prevent them from being blown about. Moreover, every effort is made to ensure that these storage areas are never filled to the top.
- These bulk storage areas are refilled via a crane truck located on the canal side, so that wet sand from the ship is always on top. Bearing in mind material processing times, this prevents material from drying out and being blown about.
- Supplies to the mixing plant are taken from the bottom and transported via covered conveyors to minimise dust emissions.
- Technical tools are available on-site to periodically brush and clear up material spilled during transport.
- Cement is stored in various silos situated in an encased building. These cement silos are equipped with self-cleaning dust filters to prevent cement dust emissions during refilling operations. All cement silos are equipped with overfill protection and an automatic sealing system.

12.3. Fine dust emissions from combustion processes.

The Kerkstoel Group has three oil-fired installations with a total heat capacity of 1,705 kW, which are regularly checked and adjusted if necessary.

Emissions are periodically measured and benchmarked against the emission limits laid down in art. 5.43.2.3.1§1 VLAREM II. Limit values were not exceeded during measurements.

13. Waste

All waste is separated and collected by recognised waste processing companies. The waste processing hierarchy is always taken into account to ensure sustainable management of material loop systems and waste materials, in which prevention and reuse are given priority over material recycling, removal being the last option.

The different concrete types are produced on the basis of standard formulas. During the mixing process, the required amount of water is added automatically

in line with the exact humidity level of the supplied raw materials. This ensures that the correct concrete mix is produced and waste is kept to a minimum.

Reinforcing mesh is entirely made to measure to prevent oversupply.

Processing surplus from the concrete mixing plant is used for the production of large concrete blocks, which are sold to the trade and thus recovered.

Waste quantities for 2013 are as follows:

TYPE OF WASTE	UNIT	QUANTITY
Waste oil and waste from liquid fuels	m ³	7,50
Packaging waste; absorbent materials, cleaning cloths and filter material	Ton	0,80
Metals	Ton	239,46
Concrete waste	Ton	3.487,80
Paper and cardboard	m ³	260,70
TL lamps	Ton	0,02
Mixed urban waste	Ton	52,80
Waste not included elsewhere (excluding rinse water)	Ton	0,00
Rinse water	m ³	43,72

14. Transport

With regard to transport within the Kerkstoel Group, we need to make a clear distinction between home/work transport by the workforce, Kerkstoel Beton business transport and Kerkstoel 2000+ business transport.

Home/work transport accounts for 3,776 km/day, of which 500 km is covered by bicycle. Unfortunately, the location of the Kerkstoel Group is not particularly favourable for public transport, although measures such as car pooling are being considered.

Kerkstoel Beton deals with virtually all its own transport using concrete mixers. This transport is entirely regional to suit the processing of ready mix concrete. The following quantities were processed in recent years:

KBETON	2011	2012	2013
Number of transports	2.603	2.376	2.657

The Kerkstoel Beton truck fleet is equipped with EURO IV and EURO V motors to minimise the use of fossil fuels and emissions into the atmosphere.

Being a producer of prefab concrete, Kerkstoel 2000+ subcontracts all its transport operations. This market is not regional and (to a limited extent) even international, which obviously affects the number of kilometres:

K2000+	2011	2012	2013
Number of kilometres	588.356	731.229	587.599

All logistics operations are controlled by a Real Time Location System based on RFID tags. This makes it possible to monitor road congestion at all times, with a view to using alternative routes and reducing the total driving time and emissions.

Many of our finished products are transported during the night in containers, which is more environmentally friendly, saves time and is more cost-effective. It also enables us to avoid traffic jams and other traffic problems.

The Kerkstoel Group is located alongside the Albert Canal, which enables us to supply sand and aggregate via this waterway. **This amounts to more than 300,000 tonnes of material, i.e. more than 10,000 fewer trucks on the road annually!**



15. Supplier environmental assessments

The Kerkstoel Group purchasing and supplier assessment procedure is part of its total management system and complies with ISO9001, ISO14001 and OHSAS 18001.

This procedure stipulates that the environmental coordinator's advice must always be sought if a purchase has, or could have, an impact with respect to:

- Energy consumption
- Soil contamination
- Emissions into the atmosphere or production of waste water
- (Packaging) waste
- Chemical agents.

If the advice is negative, another supplier needs to be found.

The 'supplier assessment' procedure describes the practice to be observed for the evaluation of suppliers of goods and services. It has to ensure that suppliers are selected on the basis of objective criteria, i.e.:

- Quality and certificates
- Price and price/quality ratio
- Suitability for delivery
- Flexibility and service
- Degree of technical sophistication
- Environmental awareness
- Safety awareness.

The purchasing policy deliberately keeps the number of suppliers limited, which improves the correct evaluation of our enquiries and requirements.

16. Kerkstoel Group products and their sustainability

Our subsidiaries Kerkstoel 2000+ and Kerkstoel Beton manufacture the following products:

- Ready-mixed concrete
- Mortar
- Screed
- Stabilised sand
- Foamed concrete
- Self-sealing concrete
- Road construction concrete
- Floor slabs
- Floor slabs with weight reduction elements
- Activ floors (concrete core activation floors)
- Cavity walls
- Comfort walls (insulated cavity walls)

Concrete as a building product has many durable properties.

16.1. Long service life

Concrete has been used for millennia. The durability and long service life of concrete has been demonstrated repeatedly in historic structures that are still standing today. Few building materials can match the technical service life of concrete.

16.2. Fire resistance

Concrete is fireproof, resistant to temperatures of more than 800 °C and can slow down the rate of heat transfer. Moreover, it doesn't produce smoke and doesn't smell. It also prevents the risk of collapse.

Concrete structures can usually be repaired following a fire.

16.3. Thermal Comfort

Because of its heat capacity, concrete has a climate regulating effect. Peaks in temperature are moderated, which improves the level of comfort. Thermal inertia produces considerable heat/energy savings.

During the winter, concrete stores heat during the day and releases it again at night. During the summer, concrete accumulates coldness at night and reduces the indoor temperature by 3 to 4 °C during the day.

16.4. Acoustic comfort

The transmission of noise through a wall or floor reduces in line with the density of the wall or floor. Compared to other building materials such as brickwork, wood, etc., concrete has a greater density and consequently provides better sound insulation, which is particularly beneficial when it is used in houses, hospitals, etc.

16.5. Environmentally friendly

Concrete is produced using natural, abundantly available local materials: sand, aggregate, cement and water. Local availability and transport have a limited impact on the environment.

Obviously cement production is energy-intensive but, as discussed in item 9.2., the cement industry is making every effort to make the production method more sustainable and efficient (e.g. by using secondary raw materials and alternative fuels such as biomass).

Concrete is almost always selected for the construction of buildings that have to protect our environment (discharge and storage of rainwater, purification stations, etc.). Because it does not emit toxins, doesn't rot or mould, concrete is a safeguard for a safe and

healthy environment. The thermal inertia of the material will ensure that CO₂ emissions associated with the use of energy for the climatic control of buildings will be drastically reduced.

And finally: concrete can be completely recycled when it has reached the end of its service life. Concrete aggregate can be reused in various streams, such as road construction. It is anticipated that these secondary raw materials will be used more extensively in the future. They are currently being evaluated in numerous innovation studies.

16.6. Innovation and sustainability

The Kerkstoel Group wants to further develop and optimise the above-mentioned sustainability properties of concrete.

Our prefabricated products have the added advantage of being entirely made to measure, produced with minimal waste in a controlled manufacturing environment and in accordance with ISO9001, ISO14001 and OHSAS 18001. They offer an alternative to demanding, unsafe labour on building sites.

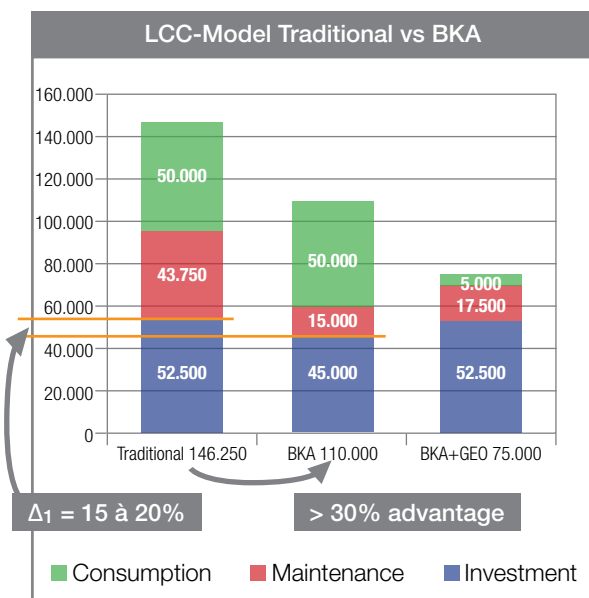
We have also enhanced the physical properties of concrete with 2 new sustainable products: the ACTIV floor and COMFORT wall.

ACTIV floors are installed as structural and aesthetic bases for concrete floors in buildings with concrete core activation. With concrete core activation (CCA), floors are thermally activated by running cold or warm water through pipelines installed in floor elements!

ACTIV floors are equipped with base reinforcement on which the CCA piping grid is installed.

The top reinforcement is installed after the ACTIV floor elements. Concrete is then poured into the slabs up to the desired floor thickness. The result is a solid concrete floor in which the load is perfectly distributed and thermal inertia is used to control the climate. This can reduce the energy cost by up to 75 to 90 % per annum, or 10 euros/m²/year in the case of geothermal energy.

Example:



The Kerstoel COMFORT Wall is the ideal solution in situations with high thermal and acoustic requirements. It is ideal as a separation wall in apartments or office buildings, in cellars, as a façade element or insulated internal wall.

The Kerkstoel COMFORT Wall is a semi-finished product consisting of two layers of reinforced concrete. In order to prevent cold bridges, these layers are connected via specially designed rustproof connecting pieces made of high-quality insulation material.

The insulation layer is applied to one of the layers on the inside of the double wall in the factory. Depending on where the prefab wall will be used, we can also include another cavity, which is filled with concrete on-site.

Comfort Walls are an ideal solution to comply with the Energy Performance and Indoor Climate (EPB) standard, which governs the requirements for Energy Performance and indoor climate. Insulated double prefab walls will achieve all necessary U-values, depending on the thickness of the insulation layer, which is minimum 3 cm.

This way the advantages of solid concrete construction, renowned for its excellent acoustic performance and thermal resistance, are combined in a single structural element, particularly when working with floating floors.

17. Employment opportunities and diversity

Our current position as a leader in the industry is the result of our many years of experience, know-how, continual innovation and investment. And above all due to the efforts of our 131 employees, who are the mainstay of the company.

A few data:

- The average seniority rate is 9.63 years.
- We employ 6 different nationalities.
- The female workforce accounts for 13 % of the total.
- In 2013, the total wage and social contribution package amounted to 7,214,416 euro.
- 7.46 % of the total number of hours were on a temporary basis.

FTE's	Kerkstoel Group	Kerkstoel 2000+	Kerkstoel Beton	Total
Blue collar	0	68,1	21,8	89,9
White collar	6,8	23,9	4,3	35
Total	6,8	92	26,1	124,9

Distribution based on age and seniority is as follows:

Seniority	K2000+	KBeton	GroepK
< 1 year	7,45%	0%	0%
1-2 years	17,02%	23,08%	25%
3-4 years	5,32%	3,85%	25%
5-9 years	29,79%	34,62%	25%
10-14 years	13,83%	15,38%	12,50%
15-19 years	11,70%	11,54%	12,50%
> 20 years	14,89%	11,54%	0%

Age	K2000+	KBeton	GroepK
< 25 years	2,13%	3,85%	0%
25-29 years	12,77%	0%	0%
30-34 years	17,02%	3,85%	0%
35-39 years	12,77%	3,85%	50%
40-44 years	21,28%	23,08%	12,50%
45-49 years	13,83%	23,08%	37,50%
50-54 years	11,70%	30,77%	0%
55-59 years	8,51%	7,69%	0%
> 60 years	0%	3,85%	0%

Our Joint Industrial Committees are 106.2, 124 and 218. We, at the Kerkstoel Group, regard the influx of employees speaking different languages, and possibly of a different nationality, as an opportunity. We organise workfloor-based Dutch language lessons to promote successful communication between our employees, which should lead to a pleasant and safe working environment and high-quality end products.

Discrimination on the basis of gender, colour, age, disability, nationality and/or philosophical or religious beliefs is expressly prohibited in the employment terms and conditions and could result in disciplinary action.

The Kerkstoel Group has a large number of employees with long service records. We consider this a definite bonus as it significantly benefits continuity and quality.

We have created a specific employment opportunity plan for the over-45s in the employment market, to ensure that this age group is well-represented in our workforce. In practical terms, this plan is based on the following:

- Professional experience is a key criterion during selection and recruitment.
- Older employees are given the opportunity to work independently using their knowledge and experience.
- Wherever possible, we try to introduce variation into the task package.
- We offer training to enable employees to keep their competencies up-to-date (our training requirement plan).
- Demanding working conditions are recorded and, where necessary, physical limitations are taken into account (using ergonomic studies, medical check-ups, job rotation and by providing PPE).
- We offer job security based on a healthy financial situation and investment.
- We value seniority by allocating extra seniority leave days and other benefits.
- We promote transparent and constructive communication and a flat organisation structure, to also provide opportunities for informal and enjoyable contacts.



18. Health and safety

Kerkstoel 2000+, the owner of the production sites, has OHSAS 18001 - occupational health and safety management system - certification. This safety aspect is part of a comprehensive QA system.

Our objective is to minimise risks, the number of industrial accidents, absence from work and people leaving, by implementing occupational health and safety measures and a welfare policy, thereby increasing motivation. This applies to all our employees and third parties present in the work environment. This way, we aim to instil confidence amongst our employees, customers, the government, insurers and society as a whole.

Kerkstoel 2000+ was awarded the certificate in 2006.

Acquisition and retention of this certificate should in practice result in a reduction of the number of industrial accidents, which is in fact noticeable.

Kerkstoel 2000+ did exceedingly well in 2013, as the number of industrial accidents dropped by 41 %. The number of days of absence in line with this trend was reduced by 48 %. Industrial accidents resulting in absence from work did not include any serious accidents leading to fixed cost days of absence.

K2000+	Frequency rate	Severity rate	Global severity rate
2013	74,7	1,26	1,26
Industry	42,88	1,40	5,89

The frequency rate refers to the number of accidents associated with temporary incapacity for work (at least one day) per million man-hours.

The severity rate equals the number of days of temporary incapacity for work multiplied by 1,000 and divided by the number of hours exposed to risks.

The global severity rate equals the sum of the number of days of temporary incapacity for work and the number of fixed cost days, multiplied by 1,000 and divided by the number of hours exposed to risks.

However, this should be approached with a degree of caution. 2014 will have to confirm this positive development. A continual awareness campaign involving toolbox meetings and training is a must. Following an analysis of industrial accidents, specific actions were included in the 2014 annual action plan to prevent the main causes of accidents.

Kerkstoel Beton did particularly well in 2013, as the year ended without any industrial accidents:

KBeton	Frequency rate	Severity rate	Global severity rate
2013	0	0	0
Industry	42,88	1,40	5,89

The Kerkstoel Group has been implementing and sustaining a daily 5S system amongst its workforce since 2013. The 5S system stands for:

- Sort: eliminate what is unnecessary.
- Set in order: everything is given an appropriate place in line with ergonomic and hygiene principles.
- Shine: clean everything again, eliminate sources of pollution and record cleaning methods for future use.
- Standardise: introduce methods that sustain the first 3 S principles.
- Sustain: maintain continuity with procedures such as checklists and audits.

The 5S system should result in a neat and tidy, well-organised workplace, leading to improved work safety and efficiency.

Efforts made to promote work safety are also noticeable with respect to both short- and long-term absences. The results are good to excellent:

Absence from work 2014	Results	Benchmark
K 2000+	2,30%	4,57%
K Beton	2,88%	4,57 %
Groep K	0,56%	4,57%

Obviously our customers need to be able to use our products at the site safely, which is why we issued various installation manuals, risk analyses and other instruction manuals, all of which can be downloaded from our website.



19. Performance interviews and training

Taking into account rapid market developments and the fact that, due to their flexibility, family businesses can offer considerable added value, competency screening and training are vital to the Kerkstoel Group.

The total management system, based on ISO9001, ISO 14001 and OHSAS 18001, describes a 'training' procedure, which specifies that a training requirement plan is formulated on the basis of various sources, including:

- performance meetings,
- deviations, incidents, industrial accidents and non-conformity,
- new installation components, procedures or instructions,
- housekeeping/best practice audits or inspections,
- annual management assessment of the total management system,
- changes to the total management system,
- questions or comments relating to social consultations,
- implementation or updating of risk analyses,
- internal changes such as transfers or changes in job descriptions,
- own initiative.

However, performance meetings are the main source for the formulation of a training requirement plan.

These meetings, which are organised for each employee at least once a year, provide the opportunity to discuss and assess various matters:

- Market developments and the company's position within the market.
- Possible changes within the organisation.
- Main tasks and responsibilities.
- Proposed competency profile and corresponding conduct indicators.
- The company's core values.
- Measurable goals at departmental and individual level.
- Completed and desired training.

The training requirement plan is always evaluated and approved on the basis of quality, safety and environmental principles.

Any completed training is logged and assessed in writing by the trainee and relevant department head in terms of the results in day-to-day practical applications.

Number of training hours attended per employee:

Training hours per FTE (average)	2011	2012	2013
White collar	12,5	8,1	7,0
Blue collar K2000+	1,5	6,3	7,8
Blue collar KBeton	5,1	3,6	19,9

The Kerkstoel Group intends to significantly increase the number of toolbox meetings and information sessions for employees, which is already partly evident in the training hours per FTE.



Standard and specific indicators

STANDARD INDICATORS			
INDICATOR	DESCRIPTION	ITEM	COMMENTS
Strategy and Analysis			
G4-1	Supervisor statement on the importance of sustainability for the organisation and/or relevant strategy.	Preface	
Organisation profile			
G4-3	Organisation name	1.1	
G4-4	Product presentation	1.1, 1.2	
G4-5	Location (of head office)	1.1	
G4-6	Country in which the organisation operates	1.1	
G4-7	Ownership structure and legal form	1.1	
G4-8	Markets	1.2, 7	
G4-9	Size of the organisation	7, 9, 17	
G4-10	Other information on employees: type of contract	17	
G4-11	% of employees covered by a CLA	17	
G4-12	Description of the chain in which the organisation operates	1.2	
G4-13	Significant changes during reporting period relating to size, structure or ownership		
G4-14	Description of application of 'precautionary principle'	1.3	
G4-15	Summary of organisation's labels or charters	1.3	
G4-16	Summary of organisations, initiatives or platforms the organisation is a member of	1.1	
Identification of material CSR issues and demarcation			
G4-17	Application of the report	1.1	
G4-18	Description of report formulation	2.1	
G4-19	Summary of material sustainability issues	2.1	
G4-20	Summary of material sustainability issues	2.1	
G4-22	Information on the consequences of potential reformulation of information provided earlier		
G4-23	Significant changes with respect to previous reporting periods concerning scope, demarcation or measurement methods applied for the report		
Dialogue with stakeholders			
G4-24	List of stakeholders the organisation has involved	3	
G4-25	Basis for inventory and selection of stakeholders that need to be involved.	3	
G4-26	Description of stakeholder dialogue approach	3	

STANDARD INDICATORS			
INDICATOR	DESCRIPTION	ITEM	COMMENTS
Report profile			
G4-28	Report profile	4	
G4-29	Date of most recent report	4	
G4-30	Reporting cycle	4	
G4-31	Contact for queries	4	
Management structure			
G4-34	Description of organisation's management structure.	5	
Ethics and integrity			
G4-56	Description of values, standards (of conduct), principles of the organisation	6	



STANDARD INDICATORS			
INDICATOR	DESCRIPTION	ITEM	COMMENTS
Economic			
G4-EC1	Direct economic values generated and distributed	7	
G4-EC9	Purchasing policy	8	
Environment			
G4-EN1, EN2	Environment	9	
G4-EN3, EN4, EN5, EN6, EN7	Energy consumption	11	
G4-EN8	Water	10	
G4-EN15, EN18, EN19, EN21	Emissions	12	
G4-EN22, EN23	Waste water and waste	10, 13	
G4-EN27	Products	16	
G4-EN30	Transport	14	
G4-EN32	Supplier environmental assessment	15	
Social			
G4-LA1	Employment opportunities	17	
G4-LA6, LA7	Health and safety	18	
G4-LA9, LA11	Training and education	19	
G4-LA12	Diversity and equal opportunities	17	
G4-PR1	Product responsibility	16	





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