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# CSR report 2014

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Sweden:

100%



of new apartments in the Group's own projects are certified to use the Nordic Ecolabel

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Norway:

100%

increase in production of low-temperature asphalt (LTA)

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## THIS IS VEIDEKKE

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Veidekke is one of Scandinavia's largest construction and property development companies. The company undertakes all types of construction and civil engineering contracts, maintains roads and produces asphalt and aggregates. Veidekke is listed on the Oslo Stock Exchange. The company has a revenue of NOK 24 billion (2014) and has always posted a profit since it was founded in 1936.



Veidekke ASA's registered head office is in Oslo, and the Group comprises three business areas: Construction, Property Development and Industrial.

The company's operations are characterised by involvement and local knowledge. Involvement through close collaboration with our customers and suppliers ensures optimal project execution. Good knowledge of the local market and the ability to draw on the Group's collective resources and expertise

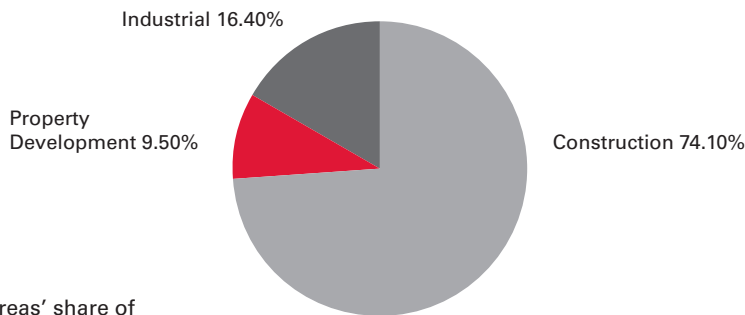
enable us to find the best solutions for all the parties involved. The outcome is efficient operations and greater value creation.

### **Construction**

Veidekke is engaged in nationwide building construction and civil engineering activities in Norway and Denmark, while operations in Sweden are concentrated in and around Stockholm, Gothenburg, Malmö and Helsingborg.

Building construction operations account

Gaularfjellet  
PHOTO: ANDREAS SJAASTAD



Business areas' share of Veidekke's total revenue

for 65% of Veidekke's total construction revenue, primarily the construction of commercial buildings, residential buildings, schools and other public buildings. Civil engineering operations account for 35% of Construction's total revenue, and projects include transport (road and rail), hydropower and wind farms, industrial projects and other facilities such as underground car parks, quays and airports.

Most of the building construction and civil engineering work is undertaken through the subsidiaries Veidekke Entreprenør AS (Construction Norway), Hoffmann A/S (Construction Denmark) and Veidekke Entreprenad AB (Construction Sweden).

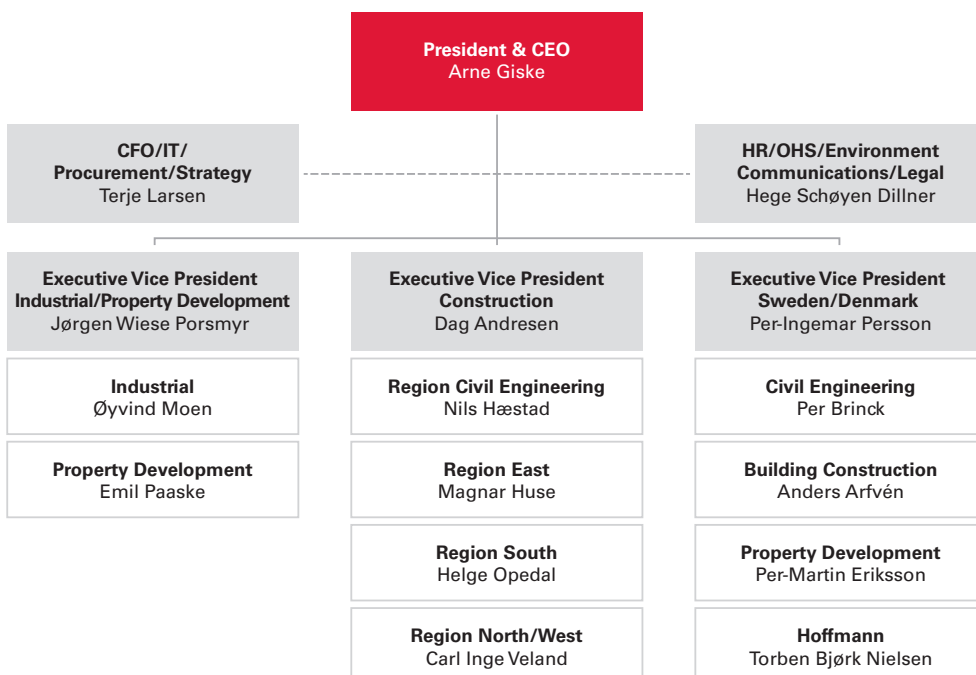
**Property Development**

Veidekke Eiendom AS (Property Development Norway) and Veidekke Bostad AB (Property Development Sweden) purchase

land and properties and develop them into residential buildings. Projects are developed by Veidekke or in partnership with other property developers through associated companies and joint ventures. Property development operations are concentrated in and around Oslo, Bergen, Trondheim and Stavanger in Norway, and Stockholm, Gothenburg and Malmö in Sweden.

**Industrial**

Veidekke Industri AS (Industrial) is the largest asphalt contractor in Norway and the country's second largest producer of aggregates. Industrial is also a major player in the operation and maintenance of public roads. Asphalt operations accounted for 67% of Veidekke Industrial's revenue in the 2014 financial year, while road services accounted for 23% and production of aggregates 10%.



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## INTRODUCTION BY THE PRESIDENT AND CEO

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Society and our sector in particular are facing a number of major challenges. Population growth brings increased demand for new buildings and upgrades of key infrastructure and housing. Veidekke is involved in solving these tasks, and it is our responsibility to help resolve them in a safe and environmentally sound manner.

This requires both innovative thinking and up-to-date knowledge and skills among our most important resource – our employees. The construction and civil engineering industry is changing, and Veidekke is helping define the terms for responsible development.

In 2014 Veidekke built some of the largest transport projects in Scandinavia. In Norway a total of 2.6 million tonnes of asphalt and 8 million tonnes of aggregates was produced and distributed from our plants. At year-end we had over 1,100 residential units under construction in Norway and Sweden. Veidekke thus plays an important role in the development of society, and we are very aware of our corporate social responsibility.

The construction and civil engineering industry has a large ecological footprint, and our ambition is to demonstrate “practical environmental excellence”. For construction operations in Norway and part of the business in Sweden, this has meant certification in accordance with the ISO 14001 and 9001 standards, and an increasing number of our projects are now being built in accordance with the international standards LEED, BREEAM and the Nordic Ecolabel. Meanwhile, Industrial

has doubled its production of low-temperature asphalt (LTA) in 2014, corresponding to a 30–40% reduction in CO<sub>2</sub> emissions. We strive constantly to improve, and it is gratifying to see that our customers and partners also include environmental criteria in their requirements.

The construction and civil engineering industry is exposed to a variety of different challenges. Working conditions are demanding. Potential hazards include natural phenomena, working at heights, and the use of heavy machinery and dangerous equipment. The increasing internationalisation of the industry has also brought new challenges. Inadequate language skills and cultural differences can lead to misunderstandings that may have very serious consequences. Safety is the top priority in everything we do. Despite this, there were two fatal accidents on our construction sites in 2014. The number of less serious injuries has declined, but we have not yet managed to attain our goal of zero serious injuries. In light of this the corporate management has initiated a thorough review of the safety work with a view to preventing serious injuries and accidents in the future.



Safety is also closely related to professionalism, and in recent years rogue operators associated with social dumping and financial irregularities have established themselves in the construction and civil engineering industry. Veidekke has therefore initiated measures within its own operations and strengthened the work in this area vis-a-vis our suppliers. In Norway the system of maximum two levels of subcontracting in the supply chain is being continued, and we are working closely with the rest of the industry to tackle these problems.

Veidekke creates significant value for our customers, the community and everyone who works in the company. Our participative approach and multi-local organisation are crucial for value creation. This work requires qualified, motivated employees. To this end we focus consciously on training and development in core professional skills, attitudes, technology and management.

#### **2015 and the road ahead**

In 2015 we will conduct a materiality assessment to identify the main risk areas

and opportunities related to corporate social responsibility. This analysis will form the basis for goals and priorities going forwards.

The main activities in 2015 will be to:

- Increase the safety work to attain the goal of zero serious injuries.
- Specify measurable goals for environmental impact reductions and greenhouse gas emissions.
- Continue the professionalism work to prevent social dumping and economic crime on our construction sites.
- Develop a group-wide process and method for succession planning, continue training and professional development on all levels, and implement a standard recruitment process throughout the entire organisation.

All Veidekke's employees put in a great deal of good work in 2014. In 2015 we will continue to create value by acting in line with our values *professional, reliable, enthusiastic and ground-breaking*.

A handwritten signature in black ink, appearing to read 'Arne Giske'.

Arne Giske  
President and CEO

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## VEIDEKKE'S CSR MANAGEMENT SYSTEM

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The Group's core values – professional, reliable, enthusiastic and ground-breaking – form the foundation for how Veidekke works every single day.



Corporate social responsibility, which encompasses occupational health and safety, environmental protection, ethics and anti-corruption, is the responsibility of the corporate management and Board of Directors. Veidekke seeks to strike a balance between

financial, human, environmental and social considerations. The Group's occupational health and safety targets have the same priority as the financial targets, and they are reported together with the financial figures to the owners and the market each quarter.

The corporate management's role is to identify common needs across the Group, set common goals and requirements, and coordinate group-wide initiatives. Within the business units, local initiatives are implemented along with general group-wide activities in order to achieve the Group's goals. Veidekke's managers have a certain freedom to make decisions, and a clear duty to work in compliance with the Group's core values and regulations.

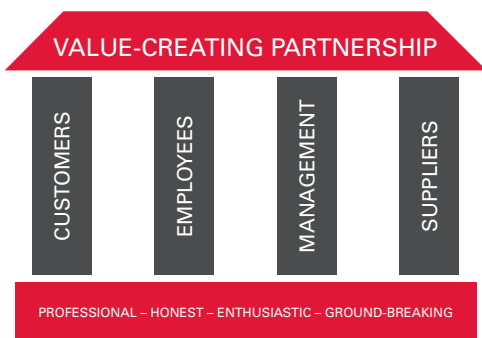
The Group's ethical guidelines were revised in 2014. The guidelines are a guide to correct behaviour in the day-to-day work and in collaboration with external partners.

Implementation of the guidelines throughout the entire organisation is a continuous process in Veidekke. The ethical guidelines are available on Veidekke's website.

Veidekke bases its corporate governance on the guidelines in the Norwegian Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES).

Veidekke uses Global Reporting Initiative's (GRI) standard for reporting on corporate social responsibility. This report has been prepared in accordance with version G3.1 of the GRI standard.

**VEIDEKKE HOUSE**



**INTERNATIONAL STANDARDS**

Through a global framework agreement with the trade unions and Building and Wood Workers International, Veidekke ASA has committed to respect workers' rights and to work for continuous improvements in the areas of working conditions, industrial relations, health and safety in the workplace, and the environment. Under this agreement, Veidekke undertakes to comply with the following international standards:

- The ILO Declaration on Fundamental Principles and Rights at Work.
- The OECD Guidelines for Multinational Enterprises.
- The United Nations' Universal Declaration of Human Rights.

For more information on the Framework Agreement and the international standards see: <http://veidekke.com/en/corporate-governance/csr/article9972.ece>

**The Veidekke Group's objectives and business strategy**

**The role of the Group**

- Identify group-wide development needs
- Set requirements to the businesses
- Follow up the businesses and assist as necessary
- Coordinate and implement group-wide measures

Direction, requirements, coordination and follow-up



Overall current situation, goals and strategy / requirements for the businesses

**The role of the businesses**

Plan, implement, execute and follow up measures in order to meet Group requirements while meeting local needs

The current situation, goals, strategies, action plans, measures, development phase



# FINANCIAL GOVERNANCE AND VALUE CREATION IN VEIDEKKE

Healthy finances and efficient operations are vital for a long-term perspective on corporate social responsibility. Local presence combined with the Group's collective expertise are among Veidekke's main competitive advantages.

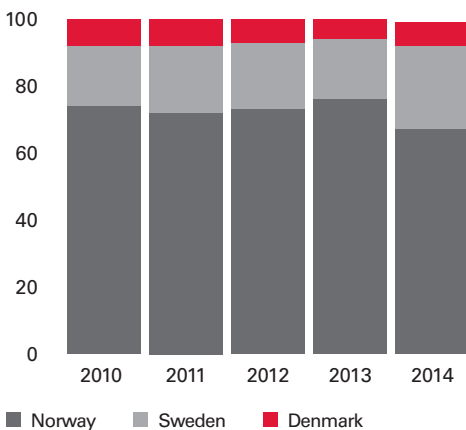
The company's operations are characterised by involvement and local knowledge. The local units know the markets, customers and opportunities best and they create local jobs, economic growth and wealth creation in local communities. Using a participative approach Veidekke works continuously to create the best solutions for customers.

Activity levels were high in the Group in 2014, and the combined revenue amounted to NOK 23.9 billion. In terms of profit the Group performed very well, with a profit before tax of NOK 967 million. In 2014 Veidekke paid a total of NOK 4.0 billion in salaries, NOK 611 million in employer's National Insurance contributions and NOK 89 million in taxes. Veidekke offers its employees pension schemes that go beyond the statutory minimum rates. The Group's total pension expense in 2014 came to NOK 312 million. Veidekke purchased goods and services for a total of approx. NOK 17 billion.

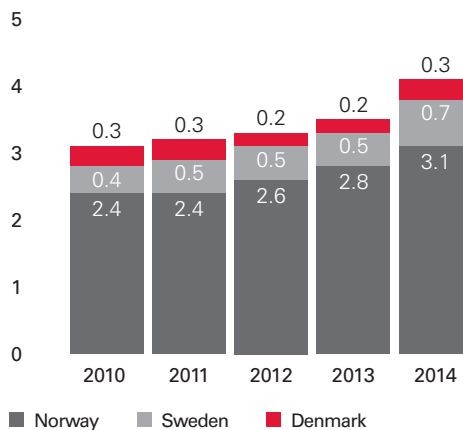


Sartor Storsenter  
PHOTO: VEIDEKKE, ANNA BILSKA

REVENUE AS A PERCENTAGE PER COUNTRY



PAYROLL (NOK BILLION)



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## OCCUPATIONAL HEALTH AND SAFETY

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The construction and civil engineering industry is a high-risk industry. Veidekke seldom builds the same thing twice, and projects are undertaken in new places, under new conditions and with new teams. Rock is blasted, work is performed at heights, and heavy machinery is used. This requires great caution. Efforts to prevent accidents are therefore a top priority.



Despite the great efforts in occupational health and safety, there were two fatal accidents in 2014. In order to learn, the company always investigates major accidents. The investigations of the two fatal accidents have been concluded, and the recommendations will be followed up in the organisation.

Veidekke's occupational health and safety strategy "Next Generation OHS" was adopted in 2011. A central element in this strategy was to measure all types of injury, regardless of severity. The strategy defines the goal of preventing four out of five injuries and achieving

zero serious injuries. A number of measures have been implemented, including consistent risk assessment, mandatory basic safety training for everyone working on Veidekke's projects and increased use of personal protective equipment.

Since 2012, the total number of injuries has declined by more than 20%, from 428 to 335 in 2014. Regrettably the same is not true for the most serious injuries. Veidekke is therefore now focusing on achieving its goal of zero serious injuries. In the period up to summer 2015 the Board of Directors and the

various business areas will work together to identify measures to prevent serious accidents in the future.

In recent years the number of lost-time injuries among own employees (LTI rate), has remained relatively stable on the Group level, although there are variations between the units and over time.

**Sickness absence**

Sickness absence in Veidekke is below the average for the construction and civil engineering industry in Norway and Denmark, and around the average mark for the construction and civil engineering industry in Sweden. The sickness absence rate for the Group as a whole was 4% in 2014: 4.3% in Norway, 3.7% in Sweden and 1.5% in Denmark. This is at the same level as in 2013 and can be described as stable and low.

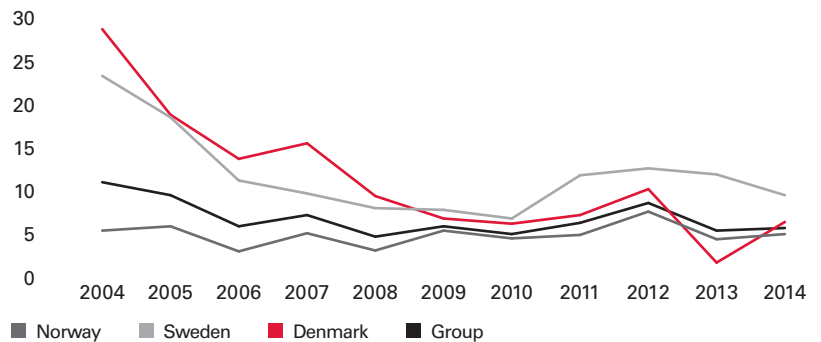
At the Group level absence is distributed evenly between short-term absence and long-term sick leave. In Norway 52% of the long-term sickness absence was due to musculoskeletal disorders, 14% was due to mental illness and 14% was due to injuries incurred at work.

Job satisfaction and preventive work are important to retain employees. To this end all employees in Norway are offered an occupational health check every three years. This is a systematic examination that assesses the individual's physical and psychosocial working environment, occupational health issues and ergonomics. 1,241 employees underwent an occupational health check in 2014.

In response to the question "How happy are you at work?" the average score was 5.7 on a scale from 0 (very unhappy) to 7 (very happy). This indicates a high degree of job satisfaction in Veidekke, and this score has remained stable since 2007. Good colleagues, a good working environment and interesting and challenging work are cited as the main factors for job satisfaction and general well-being.

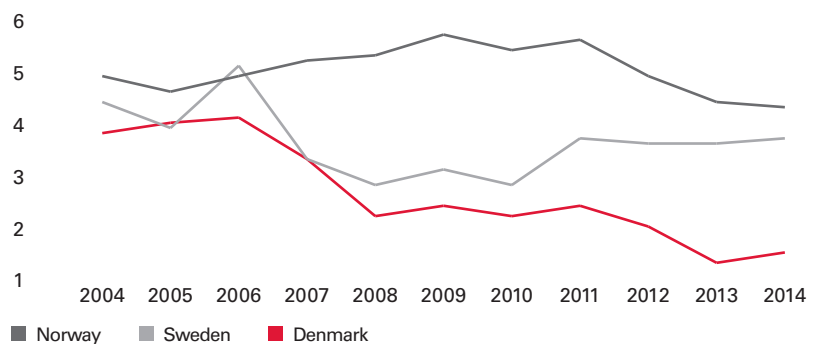
For many years Veidekke has enjoyed good collaboration with AKAN – the workplace advisory centre for issues relating to alcohol, drugs and addictive gambling and gaming. The company had excellent results from the AKAN work in 2014 too. At year-end there were 12 employees enrolled in the AKAN programme. Half of these had themselves requested help through the AKAN system.

**LTI RATE**



Developments in Group's LTI rate, which indicates the lost-time injuries among own employees per million hours worked.

**SICKNESS ABSENCE IN VEIDEKKE (PERCENT)**



**ANNUAL SAFETY WEEK**

Veidekke's Safety Week took place in September. This year's themes were greater personal commitment to occupational health and safety by each individual employee and raising the status of the safety representatives. The safety representatives are elected by the skilled workers and are on the floor every single day. They know the challenges better than anyone and can provide sound guidance on site. The safety representative shall also set an example for their colleagues and teach others to make the right choices. The safety representatives have played a central role in Veidekke's safety work throughout 2014.

**THE VEIDEKKE OHS AWARD**

The winner of the 2014 Veidekke OHS Award was the building construction project Marienfryd phase 5 at Ensjø in Oslo. This phase of the project consists of 50 residential units, an underground car park and a day-care centre. The project achieved zero lost-time injuries during 40,000 hours worked, and scored well in employee satisfaction surveys.

The project achieved excellent safety through thorough planning at an early stage, good technical choices, and planning for safe delivery and logistics.

# systematic involvement of skilled workers



The Aggregates division in Veidekke Industrial has implemented many important safety measures by systematically involving the skilled workers in its occupational health and safety work. A “bottom-up” process has made sure that the skilled workers are heard even more clearly than before.

Veidekke attaches great importance to early involvement and close collaboration in all its processes. The employees in Aggregates have recently taken this philosophy to a new level.

Over the last two years a group of skilled workers from each district has been working on measures to reduce the number of injuries.

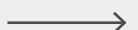
#### Implementing measures suggested by the workers

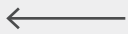
OHS manager Torbjørn Lilleås in Veidekke Industrial has been involved in the

process from the outset and has attended all the meetings where skilled workers have discussed measures.

“The underlying idea in this project has been to get rid of the notion that all health and safety measures are dictated from above and trickle down through the organisation. We wanted to turn the dynamics around so that the skilled workers get to decide more of what needs to be done in terms of health and safety,” says Lilleås.

The group has consisted of ten skilled workers, the senior safety representative





## “Bottom-up” process

and representatives from the management.

“At the meetings we simply asked what needed to be improved in the area of health and safety,” says Torbjørn Lilleås.

The various proposals were listed up to form an action plan. The final measures were decided on in the management meeting in Aggregates and then discussed by the Working Environment Committee (AMU).

### Levelling the field

Skilled worker Odd Steinar Husevåg has attended all the health and safety meetings. He started out as a foreman and is now responsible for the day-to-day operation of the crushing plant in Ålesund.

“The starting point was that there were too many injuries, so then we asked the question: what could we do to avoid the next injury. Together the group came up with many specific measures that are now going to be implemented,” says Husevåg.

The proposed measures include regulation of work at height, operator shields and walkways near conveyor belts, protection against rotating equipment at the rock crushing plant, better cleaning of the walkways, training in safe use of the various types of equipment, and reversing cameras on all new machinery.

“In the beginning, we also noticed widely varying attitudes towards occupational health and safety. Therefore this is also about making sure everyone has the same high safety standards. After the meetings we have seen that the measures are implemented and followed up very well,” says Husevåg.

### Stronger ownership

“The measures that have been implemented are a result of the direct involvement of the people who work with the challenges. This has resulted in concrete measures and simplifies implementation,” says Lilleås.

Experience from the group work is good.

“We see that many people are more motivated to work on health and safety in the organisation. We no longer have to spend time explaining why we need to work on health and safety and can now focus on the measures,” says Lilleås.

“By making use of everyone’s knowledge and ideas we get the best results,” concludes OHS manager Torbjørn Lilleås.



– By making use of everyone’s knowledge and ideas we get the best results.

Torbjørn Lilleås  
– OHS manager, Industrial

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## EMPLOYEES

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Everything Veidekke produces involves people. The company must at all times have people with the right competencies – i.e. knowledge, skills and attitudes – in order to be awarded contracts and to carry out complex and demanding projects. The company must ensure that the employees hone and develop their professional skills. Veidekke must have the best team.



At the close of 2014 Veidekke had 6,384 employees: 4,587 in Norway, 1,310 in Sweden and 487 in Denmark. In addition the business area Industrial had 248 seasonal workers. Employee turnover in the Group as a whole was 11.9% in 2014. Voluntary turnover (resignation and retirement) was 8.6%.

### **Employee co-ownership**

The employees' loyalty and commitment to their own company is very important to Veidekke. The company has therefore devised a unique share scheme, where all the employees are given the opportunity each year to buy shares in the company at a

discount. Loans are also offered at a favourable rate to finance the purchase of shares. To achieve the goal of substantial ownership among senior executives and broad employee co-ownership, the company offers the opportunity to purchase shares twice each year. One offer is for senior executives alone and one is for all employees. At year-end 2014 some 51% of the employees owned shares in Veidekke, and together they own 17.2% of the company. Veidekke invested NOK 46 million in the employee share programme in 2014. This investment yields good returns in the form of greater loyalty and commitment, increased understanding of the business, and stronger involvement in operations.

**Expertise and competencies**

Veidekke’s success depends on access to the correct expertise and competencies. The construction and civil engineering industry is sensitive to economic fluctuations, and the company needs to think long term when recruiting key personnel. To ensure professional recruitment and the right competencies throughout the organisation, Veidekke developed a common, standardised recruitment process in 2014. This recruitment process will be implemented in 2015, and good training has been planned for all employees involved in recruitment.

Veidekke has collaboration agreements with a number of schools and educational institutions to encourage more students to choose construction and civil engineering studies – and to recruit new employees to Veidekke. In Norway Veidekke cooperates with a number of major educational institutions, including the Norwegian University of

**EXPLOITING COMPETENCIES IN A MULTI-LOCAL GROUP**

Veidekke makes use of expertise and competencies across the business areas and by transferring unique expertise from one unit to another. The projects are an invaluable learning arena. The experience and expertise that individual employees acquire in the various projects are often useful in subsequent projects in other units and geographical regions.

**VEIDEKKE’S CONSTRUCTION WORK EXPERIENCE PROGRAMME “SCHOOL ON SITE”**

Since 1997 Veidekke’s School on Site programme has helped provide the industry with new skilled workers. The target group is people aged 19–40 years who are struggling in the labour market. In 2014 the programme was responsible for a class in construction techniques. The class was based at the construction site where Veidekke is building the new Jessheim College.

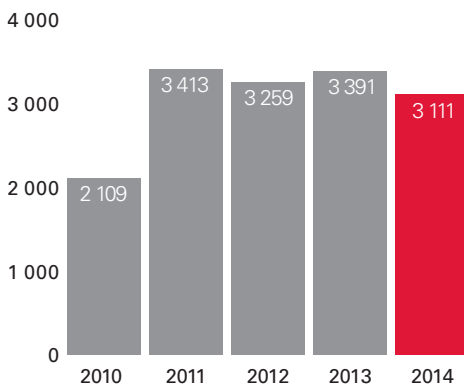
Veidekke has now taken this programme one step further through its involvement in the organisation Football for Life in South Africa. In 2014, 13 young people got work experience and training in connection with the construction of a football centre for girls under the company’s direction.

Science and Technology (NTNU), the Norwegian University of Life Sciences (NMBU), the University of Agder and the Centre for the Construction Industry at the Norwegian Business School (BI). Veidekke also contributes actively, both financially and through participation, to relevant research projects organised by NTNU and the Research Council of Norway, among others. In Sweden Veidekke is collaborating with Sundbyberg municipality and the Swedish Public Employment Service on the “Second Chance” project, which aims to give young people a second chance through work experience placements. Veidekke is also collaborating with the Employment Service and Uppsala University to provide non-Nordic academics with relevant work experience in the Swedish employment market.

**Building up competencies**

Despite the clear shift towards increased use of hired and temporary employees, Veidekke wants to continue to invest in its own skilled workers and apprentices to ensure a high level of competence and productivity in the company. All employees are offered the

**VEIDEKKE SCHOOL, – NUMBER OF PARTICIPANTS IN NORWAY**



opportunity to take part in programmes and courses in key subject areas according to needs. Training is done in-house, supplemented by external expertise. All the business areas have focused on training in basic skills such as project execution, employee development, customer follow-up and administrative procedures. In addition, development of leadership skills has been a priority. Average hours of training per employee was 8.2 hours in 2014.

The annual performance appraisal is an important tool in employee development. The completion rate for performance appraisals varies: Among administrative staff the completion rate was nearly 60% in 2014, while for skilled workers it was only 30%. Veidekke is taking steps to increase the proportion of completed performance appraisals in the future.

**Professional and personal development**

Veidekke’s internal training and development centre in Norway, the Veidekke School, offers a variety of courses in technology and production, financial and management systems, ethical and legal issues, energy and the environment, occupational health and safety, communication, and leadership skills. In 2014, 3,111 people participated in training arranged by the Veidekke School. This is a slight decrease from 2013, when the number of course participants was 3,391. The Veidekke School in Sweden conducted courses for different groups of employees in 2014 in leadership skills, participative planning, collaboration and change work, as well as courses in contract law. A total of

540 people attended courses. In Denmark work continues to improve skills related to customer and business relations. A total of 138 people attended courses in the Danish company in 2014.

The online learning portal, which is also available to Veidekke’s subcontractors, has become a natural component of the course offerings. A total of 15,300 online learning sessions were completed in 2014, an increase of almost 75% compared with 2013. Veidekke is pleased to note that much of the increase is linked to subcontractors taking safety training.

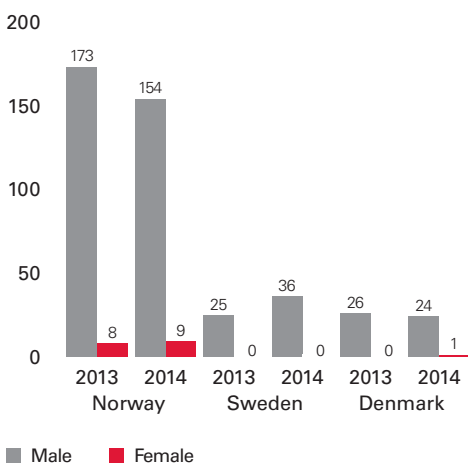
In Denmark Hoffmann has set up a programme called “Next Generation,” the purpose of which is to help talented young candidates qualify for project management positions more quickly. Learning occurs by giving the participants responsibilities at an earlier stage, closer collaboration with the customer from the outset and increased use of technology.

**LANGUAGE PROJECT IN CONSTRUCTION NORWAY**

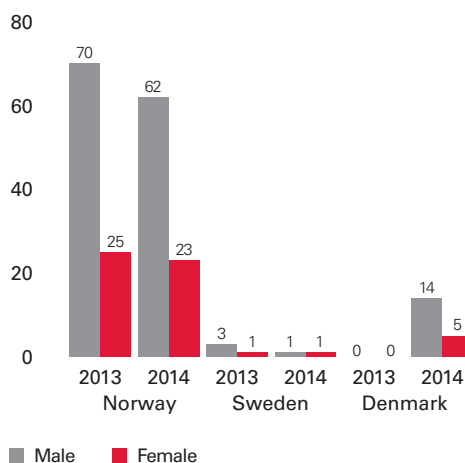
Foreign workers are a positive and important element to ensure Veidekke access to sufficient labour, but communication problems can arise as a result of different linguistic and cultural backgrounds. Foreign workers are heavily overrepresented with respect to serious injuries and fatalities. Language problems have been highlighted as one of several possible explanations for this.

In 2014 Construction Norway prepared a policy and procedures for language and communication on the projects and a guide for everyone involved in projects. Workers were also offered language training in Norwegian and English. The site managers from Veidekke and its subcontractors must speak the same language.

**APPRENTICES**



**TRAINEES**





**Veidekke’s apprenticeship and trainee scheme**

Good apprenticeship and trainee schemes are essential to attract young talent. The company has therefore invested a lot of time and effort in making its schemes as attractive as possible. A survey was conducted among the trainees in 2014, where almost 90% stated that Veidekke was their first choice as an employer. Two-thirds of the trainees came to Veidekke through a summer job, school visit or student assignment. This demonstrates that our efforts aimed at colleges and universities are effective and must be continued. In 2014 the Group had a total of 106 trainees. Veidekke is also currently looking at the possibilities for a Scandinavian trainee programme where selected employees are given the opportunity to work in all three Scandinavian countries.

In 2014 the Group had 224 apprentices, of whom 163 were in the Norwegian operations, making Veidekke one of the largest apprenticeship employers in the country. Veidekke is very positive towards the Norwegian government’s proposal to introduce apprenticeship requirements in public projects. This helps highlight the importance of qualified skilled resources and supports the efforts to increase professionalism in the industry.

**Employee representatives**

Veidekke has a well-functioning system of employee representation. The employee representatives work closely with the man-

agement at all levels, from the central Group level and out into the individual districts, to build and further develop the company.

**Diversity**

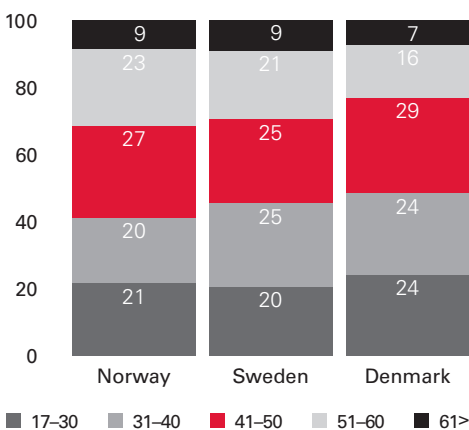
Veidekke ASA supports the United Nations’ Universal Declaration of Human Rights. No one should suffer discrimination on the basis of their race, gender, age, language, sexual orientation, religion, political or other opinion, national or social origin. Veidekke offers equal opportunities and equal pay regardless of gender.

It is a challenge in the industry in general to get women to choose Veidekke’s subject areas. In 2014 the Group had 88 female skilled workers and 584 female administrative staff. The corporate management team consisted of one woman and five men. Active steps are being taken to increase the proportion of women, for example through targeted recruitment of female students for summer jobs and traineeships.

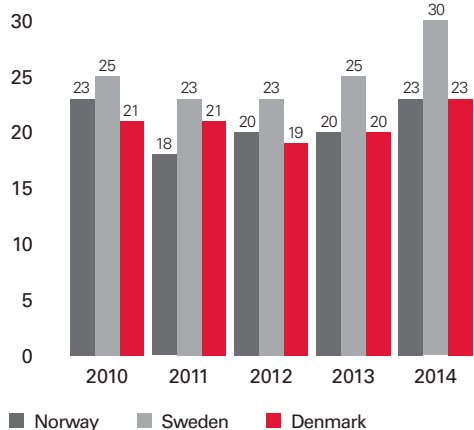
In Scandinavia the percentage of the workforce with a minority background is rising, and this group will be an important resource for Veidekke in the future. To increase job satisfaction and safety on the projects, employees who do not speak a Scandinavian language are offered language training.

Diversity work also includes work on a employee life-cycle policy, primarily in the Group’s Norwegian operations, in which the sharing of expertise and experience is a key element.

**AGE DISTRIBUTION (PERCENT)**



**AGE DISTRIBUTION – FEMALE ADMINISTRATIVE STAFF (PERCENT)**



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## THE ENVIRONMENT AND CLIMATE CHANGE

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The construction and civil engineering industry has undergone significant changes in recent years. A broad range of innovative, smart and energy-efficient solutions have been developed to address the major challenges linked to climate change and environmental issues facing the sector.

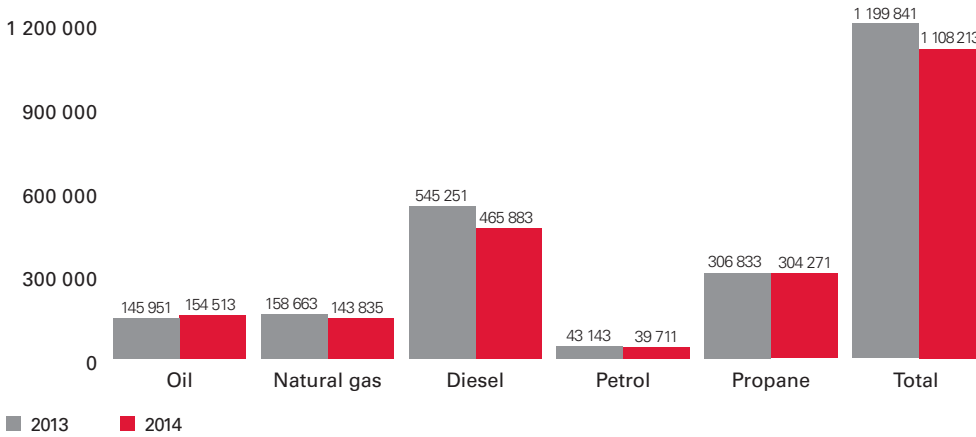


PHOTO: VEIDEKKE, ANE SANGNES

Construction and civil engineering activities have a large ecological footprint; indeed, buildings alone account for more than 40% of primary energy consumption in Europe. The industry consumes significant amounts of energy and natural resources, generates large volumes of waste and may have a negative impact on biodiversity. However, this also provides opportunities to make a real difference, and as a major player in the field, Veidekke has a special responsibility to do so.

Veidekke expects stricter environmental requirements from several of the company's stakeholders in the future. The government is expected to issue more stringent requirements relating to energy consumption in buildings. Business customers are becoming increasingly environmentally conscious and are requesting energy and environmental classification of their buildings. Investors too are demanding information about companies' environmental performance.

**DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE (GJ)**



Veidekke’s ambition is to be a leader within the industry in terms of reducing greenhouse gas emissions and protecting the environment. Demonstrating “practical environmental excellence” means that Veidekke must be able to offer its customers eco-friendly solutions based on the best available technology and knowledge. The company works to find new climate-smart solutions, reduce the use of hazardous substances, build homes with a good indoor climate, and avoid serious incidents that damage the environment. In addition to this CSR Report, Veidekke reports its greenhouse gas emissions to the Carbon Disclosure Project each year, which monitors large companies’ greenhouse gas emissions and their strategies to reduce emissions.

**The environmental impact of activities**

In order to demonstrate “practical environmental excellence”, all the business units in Veidekke have been instructed to set environmental targets and draw up action plans with concrete measures for their operations. For example, Construction Norway has set a target of at least 70% source separation in its projects and less than 40 kg of waste per square metre of new buildings. In December 2014, Construction Norway was certified in accordance with the international environmental management standard ISO 14001. Veidekke Industrial is aiming to increase the quantity of low-temperature asphalt it produces by 50% in 2015 compared with 2014. Construction Sweden has set a target that less than 10% of the waste it generates shall go to landfill.

**Energy consumption**

Climate change is the greatest global environmental threat and will also entail direct challenges for Veidekke’s operations. There will be stricter regulations from the government and higher energy efficiency requirements from customers, and Veidekke will have to adapt its products to changing weather and climate conditions.

Due to its asphalt operations Veidekke Industrial is the most energy-intensive part of the business. Industrial is working actively to map and reduce its environmental impact, with a particular focus on greenhouse gas emissions. In 2014, 11 out of 29 plants were upgraded to be able to produce low-temperature asphalt (LTA), which uses 30–40% less energy compared with normal asphalt production. In 2014, the company doubled the quantity of LTA it produced compared with 2013. In addition, 17 of the Group’s 29 factories have been converted from diesel firing to gas, resulting in a reduction in CO<sub>2</sub> emissions of approximately 32%. Veidekke has been involved in the “Klimaveien” environmental project to reduce greenhouse gas emissions from the production and use of roads in Norway since 2008, with the objective of reducing the company’s environmental impact. In 2014 Veidekke started work on life cycle assessment of asphalt production, including total CO<sub>2</sub> emissions.

Construction and civil engineering activities consume a large amount of energy, for example to run machinery and to heat and dry building sites. The consumption of fuel by the Norwegian civil engineering operations

is one of Veidekke's largest sources of CO<sub>2</sub> emissions. It is therefore important to ensure that all the machinery is energy efficient. The fleet of machinery has an average age of 3–4 years, all the new trucks purchased comply with Eurocode 6, and all new construction machinery complies with Eurocode 4.

Veidekke's direct energy consumption totalled 1,108,213 GJ in 2014 for the Group as a whole, compared with 1,199,841 GJ in 2013. The chart above shows that Veidekke's consumption of fossil fuels has decreased slightly compared with 2013, despite higher activity in the company. Veidekke's total greenhouse gas emissions in 2014 amounted to 86,874 tonnes of CO<sub>2</sub>, broken down into 75,965 tonnes of CO<sub>2</sub> (direct energy consumption, Scope 1) and 10,909 tonnes of CO<sub>2</sub> (indirect energy consumption, Scope 2). In 2013 the company's total greenhouse gas emissions totalled 94,028 tonnes of CO<sub>2</sub>.

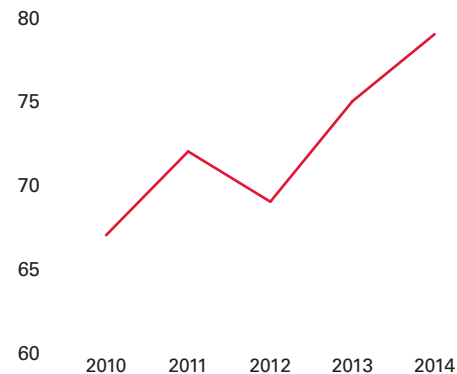
**Waste management**

Veidekke's environmental efforts also include management of the waste produced in the company's construction and civil engineering projects. According to Statistics Norway the building construction industry in Norway generates 1.9 million tonnes of waste a year, which corresponds to 18 per cent of Norway's total waste. Construction operations in Norway and Sweden source-separated approximately 79% and 71% respectively of the waste from their building construction, renovation and demolition activities. In 2014 roughly 2% of the waste went to landfill in Sweden, compared with 3% in 2013.

**Professional development**

Veidekke works systematically to ensure it has sufficient and appropriate environmental expertise to meet both current and future needs. Measures in 2014 included Veidekke's Scandinavian Environment Day, which was held for the third consecutive year. Around

**SOURCE-SEPARATION OF WASTE (NORWAY)**



100 employees shared their experiences and presented concrete examples. Industrial's Technical Staff was awarded Veidekke's Scandinavian Environmental Award for its innovative work in developing low-temperature asphalt, as a result of which asphalt operators around the world are now switching to more resource-efficient and environmentally friendly methods for asphalt production.

The Veidekke School offers environmental courses on energy and indoor climate issues. The environment is also an important topic on other courses in areas such as concrete, the basic course in occupational health and safety, and courses in ethics and compliance. In Sweden almost 200 employees and partners have received training related to Nordic Ecolabel homes. In Norway and Sweden a total of 32 people have completed training in BREEAM – the leading design and assessment method for sustainable buildings. Veidekke's environmental expertise is also used externally, for example in the BREEAM courses in Norway and in the environmental programmes at the KTH Royal Institute of Technology and Chalmers University of Technology in Sweden.

**POLLUTION FINE**

Industrial's subsidiary, Tullins Ree & Sønner AS, was fined in 2014 for violation of the Norwegian Pollution Control Act. The reason for the fine was that from May 2010 to June 2012 the company had illegally stored concrete waste and other waste that had the potential to pollute. In addition to the fine, assets were also confiscated, with a total value of NOK 1,250,000. Veidekke Industrial acquired 50% of Tullins Ree & Sønner in 2011 and took over the entire company in November 2013.

### **Eco-friendly products**

Consideration for the environment provides an important competitive advantage. Veidekke has noticed increased demand for environmentally friendly products and services, such as low-temperature asphalt and eco-friendly and low-energy constructions. Veidekke expects an increase in this demand in the coming years.

### **Specific environmental projects**

The total number of building construction projects with specific environmental objectives is increasing, including energy labelling, Passive House, BREEAM, LEED, Nordic Ecolabel, collaboration with the Norwegian Asthma and Allergy Association (NAAF), the Sweden Green Building Council (Miljöbyggnad), the Norwegian Research Centre on Zero Emission Buildings (ZEB) and the FutureBuilt programme.

Veidekke is also involved in various environmental research projects, including a study of the climate impact of building construction projects in collaboration with the Development Fund of the Swedish Construction Industry, the IVL Swedish Environmental Research Institute, the KTH Royal Institute of Technology, the Swedish Construction Federation (BI) and several industrial operators. In Norway the company is contributing to EBLE (Evaluation of homes with low energy consumption) and Upgrade Solutions to find ways to upgrade non-residential buildings to the Passive House

standard. In 2014 Veidekke has helped reduce the use of salt in its winter operation of roads for the Norwegian Public Roads Administration as a result of a four-year research and development programme.

### **Indoor climate**

A growing number of people suffer from respiratory diseases, and of particular concern is the increasing prevalence of these kinds of diseases among children and young people. According to SINTEF Building and Infrastructure we spend 90% of our time indoors, of which 65% is spent at home. In light of this it is very important that Veidekke as a builder and developer ensures that its residential buildings provide good indoor air quality. In 2009 Veidekke entered into a collaboration with the Norwegian Asthma and Allergy Association (NAAF) to develop residential buildings with materials and solutions that ensure the best possible indoor air quality. In addition the vegetation planted in the outdoor areas is allergen-free.

Nowadays all Veidekke's own-account residential projects are built in accordance with the NAAF principles, and increasingly being applied in residential buildings built in collaboration projects. In 2014 Veidekke handed over 215 units in partnership with NAAF. The partnership has now also been expanded to include day-care centres, and the first NAAF day-care centre, Konfektfabrikken in Oslo, was completed in 2014.

# taking environmental certification to the **natural next level**



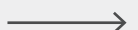
Lomma Läge, Skåne

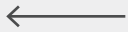
Ecolabelling of Veidekke's residential buildings in Sweden is the natural next step on the road to a better living environment and smaller impact on climate change.

Certification provides security for the customer who is going to live in the building, is good for the environment, and is an important part of Veidekke's sustainability work.

"The most important element is low energy consumption, partly achieved through strict requirements regarding appliances' energy consumption and the airtightness of the buildings. Residential

units are built using materials that have been approved by Nordic Ecolabel, with a clear focus on the people who are going to live in the apartments, while meeting sustainability standards. The apartments have a healthy indoor environment in the form of good ventilation and low humidity," says Johan Alte, sustainability manager at Veidekke Entreprenad (Construction Sweden).





## Ecolabelled homes

“Everyone who wants to take part in a Nordic Ecolabel project must receive special training. All the projects undergo at least one quality inspection by Nordic Ecolabelling, and there are requirements governing handover of projects to the buyer,” says Alte.

All these elements are intended to ensure that the buyer gets a good product, and the 51 requirements that Veidekke must fulfil provide guidelines in respect of design, sales and construction. The purpose of all these requirements is that Veidekke must be able to document that the project has been carried out to an approved standard.

Property Development Sweden is now transitioning from a pioneering stage to a phase where all its residential projects are to be certified. During the course of 2014 Veidekke has built and completed three residential projects in Stockholm and one in Gothenburg that satisfy the requirements of Nordic Ecolabel, and there are many more currently in the design phase or under construction.

“Much of our success in this area is due to our work on systems and processes. For example we have built up a database

of approved materials, which currently contains around 300 different products. By building up a system we reduce the cost of building Nordic Ecolabel homes to a minimum,” says Alte.

In 2011 Veidekke was the first company in Scandinavia to build Nordic Ecolabel homes, and in 2014 Veidekke built the largest ecolabelled residential building in Sweden.

“In 2014 we also participated in work to refine and extend the requirements for the next generation of Nordic Ecolabel criteria, which will apply to the whole of the Nordic region. By building homes in accordance with environmental standards, we are able to guarantee home buyers a good living environment, at the same time as we also set requirements for our suppliers on everything from raw materials to management of waste. This is a winning combination that has positive effects in several areas – for the customer and for Veidekke. The Nordic Ecolabel system is a concept that makes a big difference without necessarily being particularly visible in everyday life,” says Johan Alte.

Lomma Läge, Skåne

– We have built up a database of approved materials, which currently contains around 300 different products. By building up a system we reduce the cost of building Nordic Ecolabel homes to a minimum.

Johan Alte  
– sustainability manager at  
Veidekke Entreprenad



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## ETHICS AND ANTI-CORRUPTION

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Veidekke's employees are regularly faced with ethical challenges and dilemmas. It is therefore important that everyone identifies with, understands and adheres to laws and regulations and the company's core values: *"professional, reliable, enthusiastic and ground-breaking."*

The ethical guidelines define the framework for how all Veidekke employees must act and behave. Everyone who works for or represents the company has a duty to act in an ethically correct manner and must familiarise themselves with and adhere to the guidelines.

Veidekke aims to have a corporate culture marked by openness and trust. In situations where the employees face difficult choices or are in doubt, they should seek advice from their colleagues and managers. Opinions will be listened to, and feedback will be received in a constructive and respectful way. Everyone has the right and opportunity to raise matters they are unsure or concerned about. Veidekke has routines for whistle-blowing in accordance with the rules of the Norwegian Working Environment Act, which also includes an external ombudsman. There is detailed guidance on whistle-blowing procedures on the company's intranet.

Veidekke's values professional and reliable mean the employee's behaviour should be characterised by openness, integrity and honesty. All the company's representatives shall behave ethically and know and adhere to the laws, the company's policies and guidelines, and social norms.

### Integrity Programme

Anti-corruption, prevention of irregularities and fair market behaviour are the pillars of Veidekke's internal "Integrity Programme," that the company has developed and adheres to.

In 2014, 23% of Veidekke employees attended courses and/or programmes on ethics and compliance. All new employees

in Veidekke must take the "Introductory course for new employees," which covers ethics, anti-corruption and proper market behaviour. A number of online programmes were developed in 2013–2014 to complement the comprehensive Integrity Programme.

### The purpose of these training programmes is to:

- Provide Veidekke employees with fundamental knowledge about the main laws, regulations and guidelines that are relevant to operations.
- Ensure that everyone understands the importance of compliance with the rules and regulations.
- Provide everyone with the tools to make wise choices.
- Ensure that employees comply with laws, regulations and internal guidelines.
- Discuss the kinds of issues the employees face in their work and how best to handle them.

### REVISED ETHICAL GUIDELINES

Rules and attitudes in society change constantly. Veidekke's ethical guidelines must at all times be in line with developments and the outside world's expectations of the company. In 2014 Veidekke revised its guidelines to make them as up to date and specific as possible, based on fundamental ethical norms that are consistent over time and that help define who we are – as individuals and as a Group. The guidelines are available on Veidekke's website.





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## SUPPLIERS

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Veidekke purchases a large volume of goods and services from suppliers both at home and abroad. Good environmental standards and responsible working conditions in the company's supply chain are important to comply with regulatory requirements, Veidekke's values and to meet society's expectations.



PHOTO: VEIDEKKE, ANDERS AUBERG

In 2014 Veidekke purchased goods and services for a total of approximately NOK 17 billion. The goods purchased are mainly concrete, steel, reinforcement and various types of building materials, while services are mainly bought from subcontractors who perform

work on Veidekke's projects. Purchase of services accounted for around 70% of total procurements in 2014. Large and long-term contracts make it easier to exercise corporate social responsibility in the supply chain.

Unacceptable working conditions are regularly uncovered in the construction and civil engineering industry, such as social dumping, lack of freedom of association, and poor health and safety standards. Veidekke wants to be a driving force in raising standards, particularly among subcontractors. Veidekke therefore cooperates very closely with its subcontractors, and sets the same requirements regarding working hours, safety and ethics for hired workers and subcontractors as it does for its own employees. As the turnkey contractor or main contractor, Veidekke monitors compliance with these rules on site, for example through safety inspections. Injuries to hired workers and subcontractors are reported in the same way as for own employees.

#### Requirements to suppliers and partners

Suppliers must commit to abide by Veidekke's rules on health, safety, working conditions and the environment. They must also commit to comply with the international agreement Veidekke has concluded with the trade unions. This agreement is based on the ILO Conventions and covers issues such as freedom of association, the right to collective bargaining, tariff wages, terms and conditions of employment, forced labour and child labour. Veidekke requires compliance with these rules and principles in the contracts with all subcontractors and suppliers of goods that the company has long-term agreements with. Together this represents about 70% of

the company's total purchasing volume. In connection with acquisitions Veidekke also conducts a due diligence investigation of the working conditions and environmental aspects as an integral part of the investment decision.

The following measures have been implemented to ensure adequate standards in Veidekke's projects:

- Safety training for everyone who works on one of Veidekke's construction or civil engineering projects, including personnel supplied by subcontractors.
- Identity checks on all projects, and verification of completed safety training.
- Construction Sweden has introduced a supplier register, financial controls and ethics agreements with suppliers.
- Construction Norway has introduced a system of maximum two levels of subcontracting to ensure better oversight of the value chain. A system is currently being developed whereby health and safety, wages and working conditions, tax, etc. are part of subcontractors' prequalification. This system – StartBANK – has been developed in collaboration with the Federation of Norwegian Construction Industries (BNL), among others. In addition, a common procedure is being prepared to ensure that subcontractors' wages and working conditions comply with the Norwegian Regulations on general application of wage agreement for construction sites in Norway.



# boosting professionalism



PHOTO: VEIDEKKE, TOMMY ANDRESEN

During the course of 2014 Veidekke has implemented a number of measures intended to act as a **deterrent against crime** within its own organisation and in the construction and civil engineering industry in general.

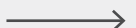
In recent years the construction and civil engineering industry has been plagued by a growing number of rogue actors. This can pose challenges for companies that want to operate ethically and in full compliance with the law.

“In 2013 we noticed an increase in the number of rogue actors, particularly in the painting business, and decided that this was a problem we had to tackle head-on,”

says John Strand, Veidekke ASA’s legal director and lawyer.

#### **Maximum two levels of subcontracting**

The management of Construction Norway therefore decided in 2013 to introduce a maximum of two levels of subcontracting in its contracts. This means that any subcontractors contracted by Veidekke may only subcontract work to one level below them.



“The purpose of introducing this measure is to provide us with better control over our subcontractors. The challenge for us is not usually with our subcontractors, but in the next level down. It is often difficult for the projects to keep track of all the subcontractors involved, and this rule provides better overview over the contracts,” says Rune Johansen, procurements manager in Construction.

“The project management must approve both the second-level subcontractor and any other agreements concerning hiring in contract workers,” says Johansen.

### Stricter access control in projects

The routines for access control on Veidekke’s projects have been tightened, including through increased checks of ID cards, better fencing and the introduction of turnstiles at the entrance to building sites.

“Many of our projects involve a large number of operators, and at times it can be difficult to keep track of who is involved in the project at any particular time. We are going to ensure closer monitoring and random checks of everyone present on the projects,” says Strand.

### StartBANK and central approval

2014 also saw initiation of an upgrade of StartBANK – a joint database of suppliers for

prequalification of subcontractors, owned by the Federation of Norwegian Construction Industries (BNL). Everyone who wants to become a supplier to Veidekke must be registered in StartBANK. StartBANK contains companies’ tax certificates, insurance documents, rating information, etc.

“We have also purchased an extra service from StartBANK where we have defined specific criteria in areas such as occupational health and safety, working environment, tax, VAT and financial rating that must be satisfied for suppliers to be prequalified for assignments for Veidekke,” says Ole Jakob Nes, project manager for the development and introduction of the prequalification system.

“We are working in parallel with the industry to put in place a solution that will allow us to check subcontractors’ tax status in real time. This will give us even better assurance that our subcontractors are serious professionals. If we want to get rid of the rogue players in the future, we have to get everyone in the industry as well as clients and the authorities to join us in the fight against rogue forces,” Nes concludes.

– The challenge for us is not usually with our subcontractors, but in the next level down. It is often difficult for the projects to keep track of all the subcontractors involved, and this rule provides better overview over the contracts.

Rune Johansen  
– procurements manager in Construction



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## TRANSPARENCY AND DIALOGUE

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The best results are achieved through close collaboration with all stakeholders. Involvement is thus a key element in Veidekke's business strategy and corporate philosophy. Collaboration and dialogue with the community provide Veidekke with valuable input and the opportunity to make necessary changes along the way.



PHOTO: VEIDEKKE, THOMAS EKSTRÖM

Veidekke has approximately 500 projects under construction at any one time in Norway, Sweden and Denmark. The company's activities thus affect many people's lives, as an employer, supplier or customer, or through work in the communities where the company

has building construction projects. Veidekke therefore aims to listen to the input from the parties that in some way or other are affected by the company's operations. The Group collaborates with industry associations, trade unions and NGOs. In addition, customers

and local communities are involved through dialogue meetings, project websites and the use of social media. Constructive dialogue with the stakeholders provides Veidekke with the opportunity to minimise risk in many areas. Problems and challenges are identified at an early stage, making it easier to find the most sustainable solutions for projects and production.

**Collaboration with customers and suppliers**

Veidekke’s work consists of two main tasks: obtaining projects and executing projects. Clients range from private residential customers via property developers and commercial players to local authorities and major government transport companies. To develop the best solutions and achieve the best results for all parties, it is essential to involve the customer and the principal from an early stage and actively listen to the needs that are communicated. Close collaboration with customers and subcontractors – what Veidekke calls “participative planning” – ensures efficient production in that plans are drawn up jointly by the parties that are going to perform the work. Around 80% of the customers in our construction operations are repeat customers, indicating that this form of collaboration works.

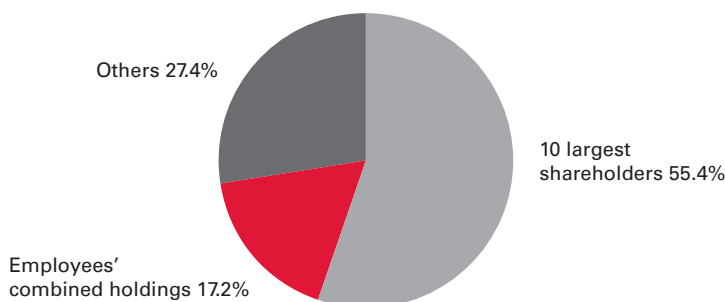
Close collaboration with customers and suppliers also provides better opportunities to communicate Veidekke’s standards in areas such as health and safety, environmental performance and ethics, in addition to strengthening accountability throughout the entire supply chain. (See also section on

supply chain management).

At year-end Veidekke’s property development operations had 1,149 residential units under construction. This means that the company has a corresponding number of residential customers through the year who all need ongoing follow-up and information. The company has therefore established online channels in both Norway and Sweden for dialogue with customers. Veidekke regularly measures customer satisfaction among our residential customers and has set the target of being an industry leader in terms of customer satisfaction. In Sweden, Veidekke’s property development operations work actively to involve and conduct dialogue with their target groups, as is mirrored in its pledge to its customers “Together we bring housing dreams to life.” In 2015 activities to foster involvement will be refined and systematised to further benefit the customers, ensure more efficient processes and high quality products, and set Veidekke apart from its competitors.

**Investors**

Investors are attaching growing importance to sustainable development and companies’ social and environmental performance. Dialogue with financial analysts and investors regarding these issues takes place both through the quarterly presentation of our performance and through direct meetings with the individual investor. Different investors focus on different factors when considering investing in a company, and their motives for engaging in socially responsible investments vary. Institutional investors in particular are committed to responsible investments. Regardless of the



Overview of shareholders

Ten largest shareholders	%
OBOS BBL	23.0
Folketrygdfondet	9.6
IF Skadeforsikring AB	9.1
Skandinaviska Enskilda Banken a/c Clients Account (NOM)	3.2
MP Pensjon PK	2.2
Verdipapirfondet DNB Norge (IV)	2.2
JP Morgan Chase Bank (Handelsbanken Nordic Custody) (NOM)	1.9
Must Invest AS	1.9
Danske Invest Norske Instit. II.	1.2
JP Morgan Chase Bank London (NOM)	1.1
<b>Total</b>	<b>55.4</b>

investors' motives, Veidekke believes that solid CSR work will be an important premise for access to capital in the future.

Each year Veidekke reports to the Carbon Disclosure Project (CDP), an international organisation backed by 822 institutional investors. Veidekke reports on the company's climate-change measures and performance and how the management handles the risks and opportunities associated with climate change. In 2014 Veidekke achieved a score of 87 C, which is higher than the average Nordic score of 80 C. Veidekke publishes its CDP results here: <https://www.cdp.net/en-US/Pages/HomePage.aspx>

**Authorities**

Politicians and bureaucrats set the framework for Veidekke's business, ranking them among the company's most important stakeholders. Veidekke works actively to influence the regulatory framework within which the company operates, and on a day-to-day basis our main contact with policy makers is through the Confederation of Norwegian Enterprise (NHO) via the Federation of Norwegian Construction Industries (BNL) and the Norwegian Contractors Association (EBA) in Norway. The company is involved in a number of initiatives, including a project that is looking at the time it takes to complete transport infrastructure projects and a housing policy project looking at urban planning based on proximity to public transport hubs. In 2014 occupational health and safety and measures to prevent social dumping have been important priorities. In Sweden and Denmark Veidekke is involved in similar work through the Swedish Construction Federation (BI) and the Danish Construction Association (Dansk Byggeri).



PHOTO: VEIDEKKE, TOMMY ANDRESEN

### Industry initiatives

On Veidekke's initiative the industry signed a joint health and safety charter in 2014 for a zero-injury construction and civil engineering industry. Here authorities, public-sector clients, architects, consultants, contractors and workers have committed to a vision of zero injuries in the industry and have agreed to collaborate and strengthen efforts to make construction sites a safe place to work.

Veidekke is also an active participant in environmental advocacy, working actively through the Norwegian Contractors Association (EBA) with a view to building up knowledge and developing tools to improve energy efficiency and reduce the industry's negative environmental impacts. The Climate, Energy and Environment Committee of the Norwegian Contractors Association (EBA) is a political and professional network within the industry and has an advisory function. The

#### "KUBEN PROSESSPRIS"

In 2014 Hoffmann was awarded the Danish Kuben foundation's Process Prize for "its strategic process that has created a cultural change in the company with a focus on working environment, safety and productivity by involving all employee groups and partners." The prize is awarded every three years to a business that has created visible bottom-line results by realising new ideas and process improvements in the building industry in a particularly exemplary way.

Committee's main task is to ensure that the member companies have the knowledge and expertise they need to carry out construction and civil engineering projects in accordance with the applicable regulations relating to climate, energy and environmental issues. In 2014 the Committee concentrated its efforts on the national action plan for construction and demolition waste and on improving energy efficiency in new and existing buildings.



# GRI INDEX

G3 .1	Description	Veidekke's reporting	Fully reported/ Partially reported
<b>Profile disclosures</b>			
1.1	Statement from the most senior decision-maker of the organization.	p. 5–6	Fully reported
<b>Organizational Profile</b>			
2.1	Name of the organization.	Veidekke ASA	Fully reported
2.2	Primary brands, products, and/or services.	p. 3–4	Fully reported
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	p. 3–4	Fully reported
2.4	Location of organization's headquarters.	p. 3	Fully reported
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p. 3–4	Fully reported
2.6	Nature of ownership and legal form.	p. 3, p. 30–31	Fully reported
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	p. 3–4, p. 30	Fully reported
2.8	Scale of the reporting organization.	p. 3	Fully reported
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	None	Fully reported
2.10	Awards received in the reporting period.	p. 32	Fully reported
<b>Report Parameters</b>			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	2014	Fully reported
3.2	Date of most recent previous report (if any).	March 2014	Fully reported
3.3	Reporting cycle (annual, biennial, etc.).	Annually	Fully reported
3.4	Contact point for questions regarding the report or its contents.	p. 35	Fully reported
3.5	Process for defining report content.	p. 35	Fully reported
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	p. 35	Fully reported
3.7	State any specific limitations on the scope or boundary of the report.	p. 35	Fully reported
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	p. 35	Fully reported
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None	Fully reported
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None	Fully reported
3.12	Table identifying the location of the Standard Disclosures in the report.	p. 33–34	Fully reported
<b>Governance, commitments, and engagement</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	p. 7–8 For information about the Board's work, see <a href="http://veidekke.no">veidekke.no</a>	Fully reported
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	None	Fully reported
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Not applicable	Fully reported
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	p. 7–8, p. 14–15	Fully reported
4.14	List of stakeholder groups engaged by the organization.	p. 29–32	Fully reported
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 29–32	Fully reported

G3 .1	Description	Veidekke's reporting	Fully reported/ Partially reported
<b>Management Approach and Performance Indicators</b>			
<b>Economic</b>			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	p. 9	Fully reported
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	p.18–19	Fully reported
EC3	Coverage of the organization's defined benefit plan obligations.	p. 9, and Note 22 to the consolidated annual accounts for the Group.	Fully reported
EC4	Significant financial assistance received from government.	None	Fully reported
<b>Environmental</b>			
EN3	Direct energy consumption by primary energy source.	p. 19	Fully reported
EN5	Energy saved due to conservation and efficiency improvements.	p. 19–20	Partially reported
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	p. 19–23	Fully reported
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	p. 19–20	Partially reported
EN16	Total direct and indirect greenhouse gas emissions by weight.	p. 20	Fully reported
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	p. 19–20	Fully reported
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	p. 19–23	Fully reported
<b>Social : Labour Practices and Decent Work</b>			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	p. 14	Partially reported
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	p. 10–11	Partially reported
LA10	Average hours of training per year per employee by gender, and by employee category.	p. 16	Partially reported
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	p. 15–17	Fully reported
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	p. 17 For more information about the Board and management, see <a href="http://veidekke.no">veidekke.no</a>	Fully reported
<b>Social : Human Rights</b>			
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	p. 26	Fully reported
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	p. 8, p. 25–28	Fully reported
<b>Social : Society</b>			
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	p. 24	Fully reported
SO4	Actions taken in response to incidents of corruption.	None	Fully reported
SO5	Public policy positions and participation in public policy development and lobbying.	p. 31	Fully reported
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None	Fully reported
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	None	Fully reported
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	p. 20	Fully reported

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## REPORT PARAMETERS

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Veidekke aims to maintain an open dialogue with its stakeholders. The purpose of this report is to provide an account of Veidekke's impact on the environment and society and the results achieved, including areas where the company's performance can be improved.

Veidekke reports according to the leading international standard for sustainability reporting – Global Reporting Initiative, version 3.1. Unless otherwise specified, the information in this report applies to the entire Group, i.e. all the business areas throughout the whole of Scandinavia, as well as subsidiaries and joint ventures in which we have a 50% or higher holding. Acquired operations are included in the report from the date control was taken over. The topics covered in the report are those that Veidekke considers most relevant

to the company's business operations, as well as topics of interest to our stakeholders, primarily our employees, customers and local communities.

For more information about this report and corporate social responsibility at Veidekke, please contact:

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# TOGETHER WE BUILD THE FUTURE

Veidekke is one of Scandinavia's largest contractors and property developers. The company undertakes all types of construction and civil engineering contracts, maintains roads and produces asphalt and aggregates. The company is characterized by involvement and local knowledge. Revenue is NOK 24 billion (2014), and half of the 6,400 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has always posted a profit since it was founded in 1936.

Veidekke – local presence,  
Scandinavian strength.

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**veidekke.no**

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