

Accountability and methodology

This document serves as a supplement to the 'Additional information' and 'Glossary' sections as included in TBI's 2021 Annual Report.

Scope and calculation method

The scope of and calculation method applied for three key KPIs are explained below:

Incident / Injury figures

In the integrated Annual Report TBI reports on the incident / injury figures in the section 'Progress of the strategic pillars in 2021 – People & Teams.'

A work-related injury is an injury received due to or while carrying out paid work, excluding injuries received while commuting between home and work. It covers both injuries that result in sick leave and injuries that do not result in sick leave.

To calculate the injury frequency ratio (IF), the number of work-related injuries resulting in sick leave (or death) is multiplied by one million (hours) and then divided by the number of hours worked by own (payroll) employees plus hired-in staff (excluding subcontractors' employees).

$$IF = \frac{\text{Number of work-related injuries requiring sick leave} \times 1.000.000}{\text{Number of hours worked}}$$

Hired-in staff are employees / self-employed people who are not employed by (on the payroll of) a TBI company, but who are managed directly by a TBI Manager or are under the direct supervision of a TBI employee. For example, temporary (agency) staff, consultants or freelancers who are deployed without the intervention of a formal employer. This category does not include any subcontractors and/or suppliers.

Employees hired directly by partnerships/consortia are not included in the report.

CO₂ emissions

In the integrated Annual Report TBI reports on the CO₂ emissions in the section 'Progress of strategic pillars in 2021 – Sustainable solutions. Carbon dioxide (CO₂) is the most relevant greenhouse gas for TBI and thus the only greenhouse gas within the reporting scope.

When determining its CO₂ footprint TBI uses the same Scope 1 and 2 delineation and conversion factors as the CO₂ Performance Ladder (SKAO – Foundation for Climate Friendly Procurement and Business).

Scope 1 (direct emissions) are emissions that come from sources owned or controlled by the reporting organisation, such as its own use of gas (for example gas boilers, cogeneration (heat & power) installations and furnaces) and its own vehicle fleet.

Scope 2 (indirect emissions) are emissions arising from the generation of the electricity the organisation uses, such as emissions from the power plants that supply this electricity. This means the following energy flows related to our activities in our own offices, factories and project sites are included:

- Fuel usage
- Lease / company cars
- Electricity, (district) heating and/or gas usage
- Business travel in private cars (declared kilometres) and by train
- Business air travel

The accuracy of data is very important for the reliability of the CO₂ emission calculation. In general, the most accurate data is the data derived from the direct measurements used to prepare invoices, including measurements from third parties.

To ensure its reliability the data is validated internally every six months. The environmental performance figures are audited internally with the aim of continuously improving reliability. The CO₂ emissions of 12 of the 19 TBI companies are also audited externally in the context of their CO₂ Performance Ladder certification.

Waste separation percentage

In the integrated Annual Report TBI reports on the waste separation percentage in the section 'Progress of the strategic pillars in 2021 – Sustainable solutions. The following principles apply in respect of the scope and delineation of the waste reporting:

- Waste from all TBI companies and projects that is allocated to TBI. This excludes waste (or material) that is returned to the supplier and/or is processed by the supplier itself. On construction sites TBI limits itself to waste that is removed from construction sites in waste containers or by other methods of waste transport, usually carried out by an external waste processor. For projects executed by a construction consortium, the volume is allocated according to the share in the construction consortium.
- We count as separated waste streams the portion of the waste that is presented separately at our construction sites and disposed of by the waste processor. We count as non-separated waste the

streams of construction waste, demolition waste, industrial waste and 'other' waste. When calculating the waste separation percentage the following waste streams are included in the total amount of waste: 1) all the waste streams from the collectors with which there is a framework contract, and 2) all significant waste streams that pass through other collectors.

The separated waste percentage is determined as follows:

- $(\text{Weight of not separated residual waste} + \text{not separated industrial waste}) / (\text{Total weight of waste})$.
- Waste streams are included pro-rata, according to the share in the partnership/consortium (the same as the financial revenue).
- If a significant waste stream runs via a demolition contractor, this should be included.

Determination of material themes (analysis 2020)

In 2021 we worked on recalibrating our strategy. For this reason it was decided to use the current 2020 materiality matrix in this annual report and to compile a new materiality matrix in 2022 based on an extensive stakeholder dialogue. The composition and definitions of the 2020 materiality matrix are specified hereafter.

The priorities from a stakeholder perspective (interest) and a TBI perspective (impact on value creation ability) are shown in the materiality matrix. The positions when the horizontal and vertical axes are combined determine the material themes.

The themes to the right above the right hyperbola have been assessed as relevant by both stakeholders

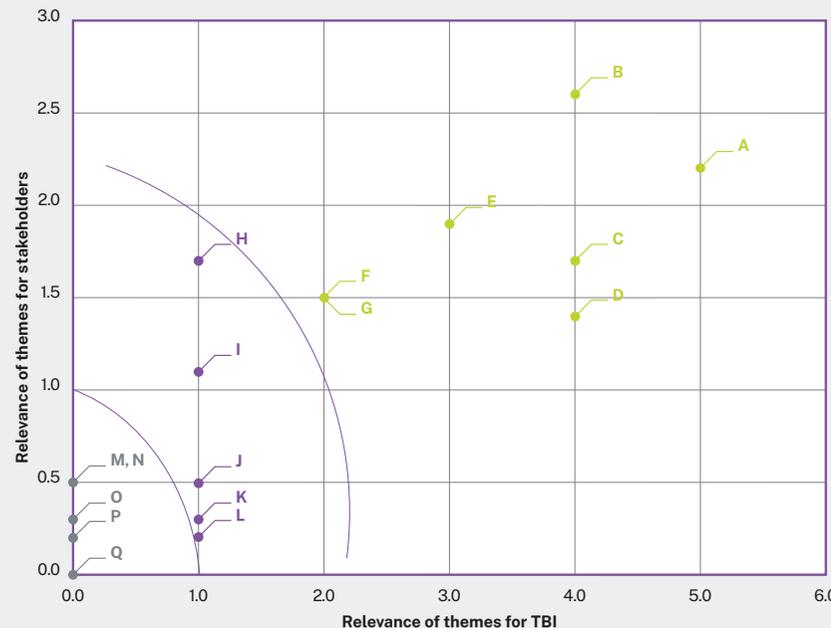
and TBI Holdings and have, therefore, been classified as material themes by the Executive Board.

TBI Holdings develops policies and sets targets for these themes and progress is measured on the basis of KPIs. The Executive Board informs TBI's stakeholders about the policies, goals and KPIs in respect of these themes in the Annual Report.

The themes between the two hyperbolas play an important role for TBI Holdings in its daily activities and in the components of processes and project implementation to which a lot of attention is paid. TBI Holdings informs its stakeholders about these themes in its Annual Report on the basis of activities, achievements and initiatives.

The themes under the left hyperbola are relevant, but in the current context not material enough to affect the way the Company is managed or to be reported about.

Materiality matrix



Theme	Internal
A Safe and healthy working environment	3.6
B Client focus	3.3
C Project management	2.9
D Solid financial position	2.7
E Corporate Governance/good management	2.4
F Energy-neutral solutions	1.8
G Circular construction	1.7
H Integrated design	1.4
I Innovation	1.0
J Training and (talent) development	0.8
K Social involvement	0.7
L Digitising of construction processes	0.6
M Sustainable business	0.3
N Diversity	0.3
O Climate-adaptive construction	0.2
P IT applications in construction	0.1
Q Influencing public policy	0.0

No.	Theme 2020	Definitions
1	Solid financial position	Ensuring TBI is/remains financially healthy and stable.
2	Project management	Managing risks, costs and projects in order to achieve a healthy return.
3	Innovation	Initiating (sustainable) process and product innovations in the construction chain (concepts, design, process, production, materials and logistics).
4	Integrated design	Designing projects aimed at a safe and healthy living environment in collaboration and involving multiple disciplines.
5	Client focus	Responding alertly to clients' changing wishes and needs. Implementing projects decisively.
6	IT applications in construction	Deploying (hardware & software) IT applications that contribute towards a more pleasant, safer, healthier and more sustainable living and working environment, such as robotisation, 3D, internet of things and big data.
7	Influencing public policy	Influencing current legislation and regulations with space for a fair nitrogen policy and better, more innovative tenders.
8	Digitising of construction processes	Focusing on the digitalisation of processes and services so they work more efficiently, more smartly and more productively.
9	Sustainable business	Reducing the environmental-impact by opting for sustainable solutions for the Company's own operations (agreements with suppliers for sustainable procurement and stimulating waste reduction, reuse and recycling on the factory floor).
10	Circular construction	Putting circularity at the centre of the entire project construction process value chain (client demand, design, construction, use) in order to minimise the impact on the circular economy, biodiversity and climate.
11	Climate-adaptive construction	Taking the effects of climate change (flooding, heat, drought and other extreme weather conditions) into account by building in a climate-adaptive way.
12	Energy-neutral solutions	The development of new products and services that accelerate energy transition in the Netherlands and reduce our own emissions.
13	Corporate Governance /integrity	Working with integrity (in accordance with the TBI Code of Conduct), doing business honestly and decently (with a responsible tax policy) and being transparent towards stakeholders (in communication and accountability).
14	Safe and healthy working environment	Offering healthy and safe working conditions and focusing on safe behaviour and safety awareness for the benefit of employees' mental and physical well-being and sustainable employability.
15	Training and (talent) development	Investing in employees' professional and personal growth.
16	Social involvement	Contributing actively to the local community. By taking local residents into account, by participating in cultural and social initiatives and by supporting social goals.
17	Diversity	Offering equal opportunities (promotion possibilities and salaries/benefits) regardless of age, cultural background, race, religion, gender, sexual orientation, etc.

Stakeholder dialogue

TBI is in continuous dialogue with its stakeholders from their various interests and motivations. These dialogues take place at different levels in the organisation and are often part of the daily activities of TBI

Holdings and the TBI companies. The table below shows how TBI organises the interaction with its stakeholders and in respect of which themes stakeholders have expectations of TBI.

Stakeholder group	Expectations	Interaction/frequency	Most important themes
Employees	<p>Employees expect TBI to implement measures to safeguard and stimulate health and safety. This also includes providing an ethical environment offering equal opportunities (non-preferential) to develop and appreciation and reward that reflects commitment as well as performance. New generations expect working environments that are dynamic and value-driven.</p>	<ul style="list-style-type: none"> • TBI Holdings consults the Central Works Council, in which all the companies are represented, five times a year. Every TBI company also consults its own Works Council. • Human Resources (HR) are decentralised. Overarching consultations are carried out by the company HR departments in segments. • An HR steering group represents the segments and meets every three weeks under the direction of TBI Holdings. • Practical joint HR projects are handled by the HR core team, which consults on a weekly basis. 	<ul style="list-style-type: none"> • Working safely and healthily in view of Corona / IT applications / working from home and TBI Vitaal. • Job security. • Sick leave and preventative working from home in relation to corona. • Giving substance to a joint strategic circular entrepreneurship target based on a Company value ambition.
Project developers	<p>Project developers increasingly expect TBI to take the worries off their shoulders by thinking more from a client's point of view, by integrating disciplines and by taking responsibility for design. They expect process and product innovation and chain integration, also in respect of circularity. This means doing business with honesty and integrity is of paramount importance and they expect leadership in this respect from TBI.</p>	<ul style="list-style-type: none"> • The TBI companies concerned maintain contact with their clients. • Development & construction companies are members of NEPROM (trade association for project developers). • The residential construction companies exchange knowledge and experience within the TBI WOONlab. • Relevant themes are discussed by the TBI Group Board. 	<ul style="list-style-type: none"> • Circular construction is gaining in importance; the theme is considered an important pillar in TBI's strategy. • There will be more demand for constructing in wood. TBI is responding with wooden concept houses. In 2021 the geWOONhout factory was built. • Affordability: concept housing TBI WOONlab, industrialisation. • Energy transition: modular CWD heat/power generation system is a good example of this (ModuleMakers).

Stakeholder group	Expectations	Interaction/frequency	Most important themes
(Local) authorities	Local authorities expect TBI to provide responsible environmental management with honest communication and the timely involvement of relevant parties so that the local community is satisfied while a project is being executed and an optimal result is delivered.	<ul style="list-style-type: none"> • The Management Boards of the companies active in development participate in various platforms in which local authorities are also represented. • A recurring topic within the Group Board meetings. 	<ul style="list-style-type: none"> • Client focus, social involvement, active contribution to the local community. By taking local residents into account, participating in social and cultural initiatives and supporting social goals. • Conscious Builders construction sites. • Communicate / inform the neighbourhood. • Take account of local legislation. • Project site management. • PAS/PFAS: proactive handling through investigation and where necessary application for licences.
Suppliers and subcontractors	Suppliers expect long-term commitment and cooperation. They expect market-conforming contracts, fair prices, acceptable payment terms and purchase securities. Cooperation to achieve sustainable cost reduction.	TBI does not have a central procurement policy, but does have centrally-drawn-up procurement terms that state the basic principles every supplier or subcontractor must comply with when cooperating with a TBI company. This is where the actual procurement strategy is established. Coordination/tuning takes place within the three TBI segments (Construction & Development, Infrastructure and Engineering). Various TBI framework contracts are concluded and managed jointly. Knowledge is also shared across the segments, a joint data management system has been set up and attention is paid to innovation.	<ul style="list-style-type: none"> • Corporate Socially Responsible Procurement: a three-day training course was initiated by the construction and infrastructure segments. Internal stakeholders and suppliers were also involved. • Digitalisation: together with suppliers we worked on engagement in the field of digital contracting and invoicing. • Safety: together with suppliers we worked on increasing safety (awareness and behaviour) at the construction sites. In 2021 the 'Proud on Safety-app' was launched, which makes it easier to report safety issues. • Corona: the TBI companies had limited problems with deliveries or bankrupt subcontractors. The purchasers kept in good contact with the chain in order to identify problems early and arrive at solutions in mutual consultation.

Stakeholder group	Expectations	Interaction/frequency	Most important themes
Banks and insurance companies	<p>Banks and insurers impose financial and risk management conditions on TBI when granting loans or concluding insurance policies.</p> <p>In addition, sustainability performance expectations have been agreed for TBI and set down in a covenant (RCF). They expect TBI to be transparent about this.</p>	<p>TBI Holdings' Finance & Control, Treasury and Insurance departments maintain contacts with the banks and insurers with which agreements have been concluded for TBI. They also fulfil this role in an advisory capacity at the request of / on behalf of the TBI companies.</p>	<ul style="list-style-type: none"> • TBI's financial stability. • Controlled risk, cost and project management to achieve a healthy return. • Risk control through good contract and project management. • How we work programme rolled out. • Management Development trajectories with a focus on transparency about (risks re.) contract and project management. • Intervention and leadership development of our financials.
Public clients	<p>Public clients expect TBI to have decisive project implementation that takes the client's current wishes into account, a stable financial position, good project management and a safe, sustainable project execution.</p>	<ul style="list-style-type: none"> • TBI Holdings and the Management Boards of TBI companies participate in various platforms / consultations in which public clients are also represented. • A recurring topic within the TBI Group Board. 	<ul style="list-style-type: none"> • Continuous attention to (sustainable) process and product innovations in the construction chain (concepts, design, process, production, materials and logistics). • Project management. • Safe and healthy working conditions. • Site management (limit nuisance). • Circular and sustainable construction. • Client focus and satisfaction.
Private clients	<p>Private clients expect TBI to be alert to rapidly-changing client interests and to include chain partners in this by offering solid innovative (and sustainable) solutions. They expect optimum designs and implementation and strict monitoring of project management.</p>	<ul style="list-style-type: none"> • TBI companies have contact with private project clients at various levels (acquisition, implementation, etc.). • A recurring topic within the TBI Group Board. 	<ul style="list-style-type: none"> • Project management. • Focus on process and product innovations. • Digitalisation / information management. • Industrialisation, standardisation and modular construction. • Sustainable and circular construction. • Safe and healthy working conditions. • Client focus and satisfaction.