



SUSTAINABILITY - BASELINE YEAR REPORT 2020/21

Aarsleff Ground Engineering and
Centrum Pile Limited



AARSLEFF CENTRUM

"Aarsleff Ground Engineering Ltd and Centrum Pile Limited are committed to accountability on sustainability and understand that in the current world climate, there can be no more 'business as usual'. We want to actively further sustainable development, adding value into the communities in which we operate and creating opportunities for all people. Operating within the construction and built environment sector, we are aware of the responsibility we have to innovate in order to reduce emissions and our overall negative impact on the world around us. The first stage of this is to provide transparent, up to date, and holistic data to properly measure our impact year on year. The below report, based on our work in our financial year of 1st October 2020 to 30th September 2021, will act as our baseline data, against which we have laid out targets and approaches to reduce emissions and add value back into society at each stage of our operations.

This report also maps our efforts and operations against the 17 UN Global Sustainable Development Goals as we support their ambition to create common direction for the world we all wish to see by 2030. As our parent company, Per Aarsleff A/S reported in their 21/22 Annual Report¹, we use these goals both as inspiration for new areas we can take action in and as a measuring standard for the effect of our efforts.

Sustainability has been embedded into our short-, mid- and long-term milestone plans as a business, as well as our main challenges, goals, and targets. We are finding ways to embed it into every facet of our daily work, operating under our core values of Life & Health, Trust, and Responsibility. We know this is the only way forward. We must adapt, using the constructive and progressive mindset we have always led with, and with the direction laid out below, we hope to mitigate our negative impact and further the value we create for all our stakeholders."



A handwritten signature in dark ink, appearing to be 'K. Hague', written over a light blue background.

- Kevin Hague, Managing Director (Aarsleff UK Group)

Business Context

Aarsleff Ground Engineering Limited and Centrum Pile Limited are subsidiaries of the Aarsleff Group, a construction and engineering contractor based in Denmark with a strong position there and internationally. Established in 1947, Per Aarsleff A/S is a leading Danish contractor composing of five segments - Construction, Pipe Technologies, Rail, Technical Solutions, and Ground Engineering. Overall, the Group devise, plan and deliver a variety of projects across the infrastructure, residential, rail, commercial and energy construction markets. We are two of over 50 companies who operate under the Aarsleff banner and are led by the Danish principles of transparency, trust, and responsibility.

Incorporated in the UK in 1991, Aarsleff Ground Engineering Limited is a leading UK ground engineering contractor, specialising in delivering multi-discipline excellence. We consistently design, plan, and safely deliver driven piling, bored piling, retaining wall, and geotechnical solutions, as well as offering plant fabrication, manufacture, and hire out of our Newark-based plant workshop.

Centrum Pile Limited is the UK's leading and most advanced manufacturer of continuously reinforced, precast concrete piles - using the most advanced concrete, distribution, mould, pile joint and manufacturing technology available. Since its conception in the UK in 1993, Centrum Pile's production facility has been continually developed to enable the manufacture of its high quality, reinforced precast concrete pile system.

We operate under the core values of Life & Health, Trust, and Responsibility, all of which feed into our 'Step into the Blue' culture. We developed this strategy because we think core values shouldn't just be a marketing technique, they're the lifeblood of our business and guide every decision we make, every single day. These values empower our employees, encouraging them to look after each other, giving them the knowledge they need to grow and find new ways to go about our work.

Group Mission

The Aarsleff Group plans and completes large, complex projects within infrastructure, climate adaptation, the environment, energy and building construction. We lay the foundations of a sound financial development of society and create value for the Group's shareholders.

Group Vision

The Aarsleff Group wants to be a leading and recognised project-oriented building and construction contractor in Northern Europe with market-leading positions in related specialist and highly efficient business areas. We want to be known for efficient, agile and secure management of diverse contractor projects. We want to be a preferred partner because we create value through cross-disciplinary synergies in all phases.



AARSLEFF'S GROUP THEMES

Sustainability

We want to contribute to the green transition of the construction business and to ensure that our Group has a common approach that brings benefits to our customers, employees and society

Profitability

We ensure profitability through a focus on strong project execution, efficiency and productivity with digitalisation as an important supporting element.

Job Satisfaction

We want to offer our employees an attractive workplace where a healthy and safe working environment, trust and team spirit are top priorities

Customer focus

We want to secure high customer satisfaction based on strong skills, focus on collaboration and high-quality supplies.

One Company

We work together actively to strengthen the Group's One Company collaboration in order to improve the competitiveness within solution of complex projects with a high degree of in-house production.

Skills Development

We want a strong, professional and operations-driven culture for our employees through lifelong learning and a high level of expertise within project management, methods, tools, product development and collaboration.



Report Context

The data within this report is collated from October 1st 2020 to September 31st 2021 in line with our financial year structure.

This report has been created in line with the Global Reporting Index Standards² and the index for these standards has been provided at the end of this report. The general reporting standards have been covered with some additional information to inform our clients who may be required to report the construction specific standards as well.



The data within this report has been externally verified. We have not reported to GRI as this report will feed into our parent company, Per Aarsleff A/S.

Figures are reported based on data from our IT systems, invoices, meter readings, continuous registrations etc. Data are subject to standard control procedures for quality assurance of data. Any estimates included in the statements are specified.

Unless otherwise stated, data figures of this report solely include the companies Aarsleff Ground Engineering Limited and Centrum Pile Limited. At the creation of this report, the Aarsleff holdings in the UK also includes Chelmsford-based contractor, Cannon Piling Limited, though the acquisition was completed after the reporting period concluded.

The operating facilities included in this report are as follows:

- Aarsleff Ground Engineering offices (Hawton Lane, Newark) - OWNED
- Centrum Pile Factory (Hawton Lane, Newark) - OWNED
- Aarsleff Ground Engineering Doncaster Yard - LEASED
- Aarsleff Ground Engineering Newcastle Office - LEASED
- Aarsleff Ground Engineering Knaresborough Office - LEASED STARTING PART WAY THROUGH REPORTING PERIOD
- Aarsleff Ground Engineering Plant Workshop (Newark) - LEASED STARTING PART WAY THROUGH REPORTING PERIOD

The Aarsleff UK Group report into Per Aarsleff A/S. For details on the nomination process for the board, as well targets to diversify this, please refer to the Per Aarsleff A/S Annual Report 2021/22¹. As we are a subsidiary, the UK directors report to the Group directors and board. UK Directors are required to sign an Annual Declaration of Conflicts of Interest.

Sustainability work within the wider European group is done through the Aarsleff ECO Center who plan to work with management boards and sustainability leaders across the group to develop policy but final sign off comes from the board. This process is in development.

We do not operate a UK specific whistle blower policy, instead all UK employees have access to the wider European whistle blower portal on the group's main website.

Aarsleff is at the start of its sustainability drive. The highest governing body within the UK are aware of sustainability as it pertains to the industry and have shown an interest by attending conferences and talks by industry leaders.

Aarsleff use a combination of market determined salary that is supplemented by performance related criteria. Aarsleff does not operate a standard process for the provision of sign-on bonuses or recruitment incentive payments, termination payments or clawbacks. Pension contributions are determined in accordance with company guidance as a standard percentage of salary.

Aarsleff UK determines it's remuneration policy in accordance with Group guidelines. At this stage, there is no remuneration committee due to the size of the operations. For our annual total compensation ratio, please see our annual accounts.

A number of different facets make up the way we govern sustainability within our organisations. Responsibility sits at the highest level, with senior management, who we refer to as the 'Board'. They will determine and adjust our targets year on year, based on current and relevant information. They assess and manage risk and opportunity for the business as a whole and within the area of sustainability.



Below them sits the Management Board, made up of our core department directors. This board work to ensure cohesion across the business and further the business plan in each segment of the organisation.

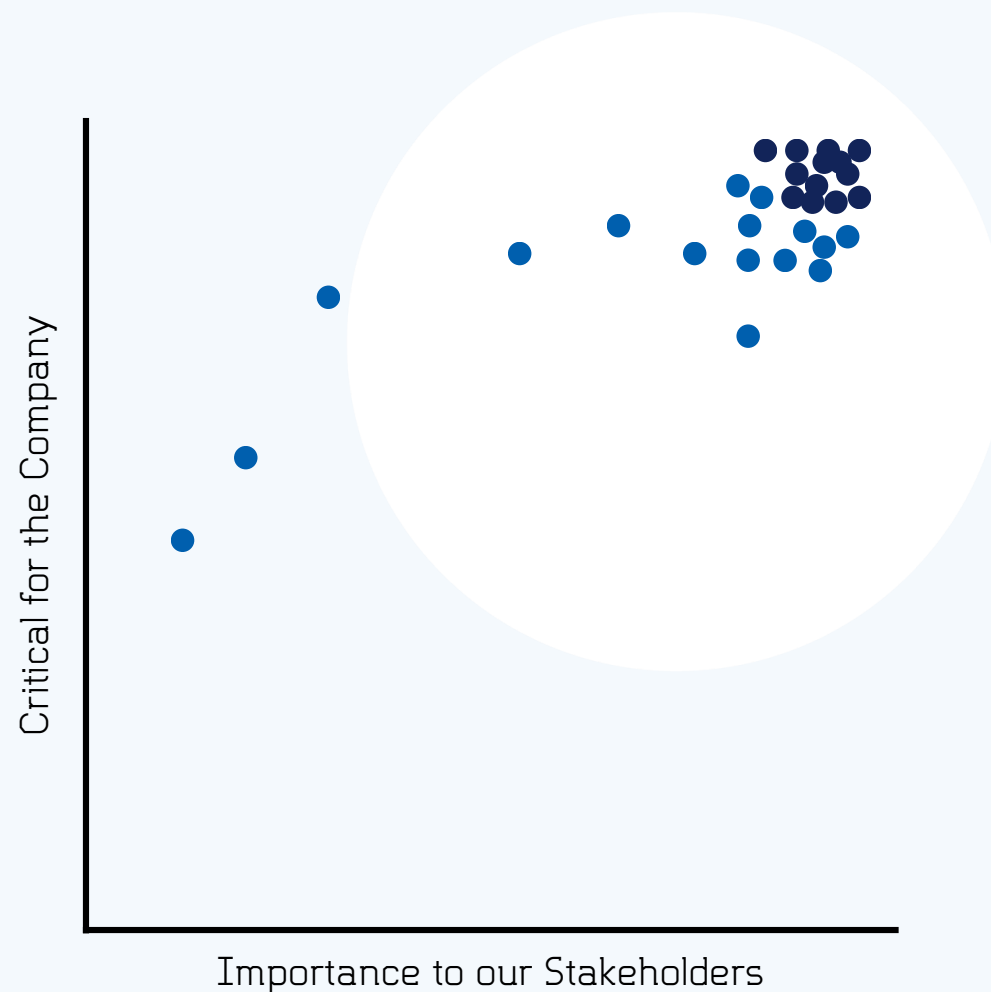


We are aware, however, that sustainability is a practice that must be embedded at every level of an organisation and therefore, we encourage thought leadership within every area of the business. A central sustainability coordinator manages and assists in the delivery of our strategy but we encourage all employees to engage and develop their understanding of the risks and opportunities around the subject.

Stakeholder Engagement

In order to determine areas of focus, we have undertaken a stakeholder engagement process, which we intend to repeat year on year in order to ensure we are taking action which creates value for all our stakeholders, not just those based within our organisation. We asked our employees, supply chain, clients, and local organisations within our community to determine how important they found 27 materiality topics, based under 6 separate major headings. These 27 topics were collated from areas we have most impact upon, drawn from our initial data collection, as well as considering the major aspects of ESG understood by current sustainability academics. This engagement process determined the below focuses:

- Carbon Reduction and Energy Efficiency
- Resource Efficiency
- Equality, Diversity, & Inclusion
- Gender and Youth Empowerment
- Integration of Sustainability into the Business
- Talent Attraction, Retention, and Growth
- Employment and Training/Internal Education
- Waste management and stewardship
- Risk management and mitigation
- Workplace safety and wellness
- Partnerships to assist in achieving Sustainable Development Goals



Activities and Workers

Total number of employees by employment contract by gender

Full Time Male Employees	175
Full Time Female Employees	20
Part Time Male Employees	2
Part Time Female Employees	2

Data compiled by using a report function on our HR system BrightHR.

Assumptions made: Assumption that gender that was entered in the system is correct.
Part time is considered anything less than full time hours for specific roles.

Aarsleff and Centrum Pile also contracted three freelancers across the reporting period.

Aarsleff Ground Engineering and Centrum Pile do not split employees/departments by region of the UK in which they work, as many of our employees work across the UK regularly.

At Aarsleff and Centrum, we understand how important it is to create and nurture a culture where everyone has room to be their best self and that the way to go about this is by incorporating diversity into our business' DNA.

Centrum Pile's workforce are almost entirely from Newark and the surrounding area, and a large percentage of Aarsleff's office staff are too. In terms of ethnicity, the 2011 census data³ demonstrates that Newark is 96.9% white. We do not currently hold data on our employees' race, ethnicity, religion, or sexual orientation past carrying out Right to Work checks at onboarding.

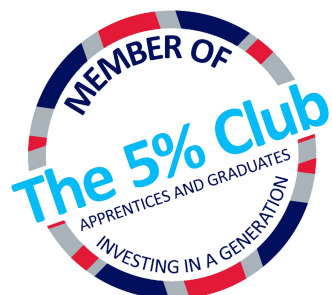


Equality, Diversity, and Inclusion - Internal Education and Youth Empowerment

Aarsleff and Centrum are committed to the upskilling of its existing staff – offering training opportunities where possible to round out skill sets and set our people up for success. We believe that our people are our greatest asset and that we have a responsibility to help them grow.

At the moment, 3.77% of our workforce are enrolled on formal training courses. This is spread out across apprenticeships, part-time masters degrees, professional diplomas, and university placements. We have made a commitment via The Five Percent Club⁴ that we will up this to 7% of the workforce in five years' time.

We are also Silver members of the Supply Chain Sustainability School⁵ – an award winning industry wide collaboration who aim to create a construction industry where “everyone will have the skills and knowledge to deliver a sustainable future”. We currently use this for internal education, aware of the benefit it brings both us and our clients.



Here for young people
Here for communities
Here for you

We have also recently announced a collaboration with the local branch of the YMCA in Newark and Sherwood⁶. Set as Aarsleff's charity partner for the next five years, we are looking to help further the excellent work they do to build stronger communities that empower young people to belong, contribute and thrive. The Community and Activity Village in Newark is extremely close in proximity to Aarsleff's main headquarters and was therefore a perfect opportunity to show support to the local charity and the vision for the Village to support young people, their families and the wider community with life-changing services and experiences in Newark. As part of the partnership, we have committed to offering apprenticeship opportunities to users of the YMCA facilities, as well as delivering skills and learning workshops through their programmes in order to engage the local community.

Aarsleff are an accredited CPD provider⁷, and we use this in order to deliver educational presentations to clients, schools, and other parties in society in order to further their understanding of ground engineering and our services.

Safety, Training, Environment, and Quality

Our company culture puts a focus on health and wellbeing through the 'Life and Health' branch of our 'Step into the Blue' manifesto. We place our employees' wellbeing at the front of our daily business, creating an environment wherein everyone is encouraged to speak up if wellbeing is at risk. Each office has numerous first aiders and mental health first aiders, as well as all employees having access to an external and independent employee wellbeing provider.

We hold quarterly Worksafe Committee meetings in both Aarsleff and Centrum, wherein representatives from all over the business meet with our health and safety department to formally raise any concerns they have or that they have been informed of by their peers. The minutes from these meetings are distributed across the entire company and any comments or further ideas are fed back into STEQ department. Our use of the MyCompliance management system for all health and safety matters also ensures that everyone is aware of any risks or incidents which have occurred, as well as formally exemplifying best practice.

We engage our employees in a number of different ways. A Monthly Round Up is distributed across the entire company, giving insights into work winning, financial figures, starters and leavers, and health and safety statistics. We also distribute a quarterly newsletter, giving staff insights from the more office based areas such as IT and HR, as well as highlighting projects and best practice via project spotlights and our health and safety section. All employees have access to our reward programme, AarRewards, which offers discounts on a range of commonplace stores, offers a free to use health section with exercise videos, recipes, and wellbeing practice, and acts as a communications platform for our employees who aren't always in front of a computer.

We're proud of our company culture, but we also know it is something that must evolve with the company. This is why we're using the strong foundation we've built to embed sustainability into every facet of the business. We're taking action to formally train all our employees on sustainability matters as a starting point and are setting up sustainability collaboration meetings with thought leaders from all areas of the business, which we hope will work in much the same way as the Worksafe Committee meetings do. By doing so, we'll embed sustainability into the company culture and create a mindset employees will use every day. When evaluating partners and suppliers, when they initiate innovation projects and volunteer projects, or even how they build new operational structures within the business.

Our policy commitments and how we embed these through our culture can be found on our website at: [Policies - Aarsleff Ground Engineering](#)⁸

Our membership associations can also be found on our website at: [Health and Safety - Aarsleff Ground Engineering](#)⁹

Climate and Emissions

We know that the need to restrict temperature growth to 1.5 degrees is the challenge of this century. With the visible effects of climate change becoming more and more commonplace in our lives, the pressure to reduce any further damage is mounting in order to preserve the natural environment for the next generations. Operating in a country who have committed to net zero by 2050¹⁰, we are aware of the responsibility UK businesses have to significantly reduce their emissions now in order to have any hope of reaching that national target. We are also aware of how integral the construction industry will be in achieving net zero.

In order to make any progress on reducing emissions, we needed to establish a holistic and full-scale view of our current emissions. To facilitate this, we have used the ENCORD carbon calculation model to determine our carbon footprint for the financial year 2020-21. The ENCORD model¹¹ is designed for construction companies and provides guidance on how an organisation within the construction sector can measure and report its greenhouse gas (GHG) emissions. The protocol sets out minimum requirements for measuring and reporting emissions in order to meet best practice. The guidance outlines the main sources of emissions over which a construction company may have influence, and how these can be measured. Emissions are split into 3 categories or scopes, as shown below.

Our approach to assessing the carbon footprint was to assess the emissions in each category. As with many organisations, the Reporting Organisation's largest emissions lie within its upstream and downstream supply chain rather than the direct activities of the companies.

Given this was a baseline year and that the carbon calculation work began post financial year end, we have used an expenditure basis for the calculation. Where actual data was known, for example, waste, we have used the physical amounts.

One point to note, is that we have taken all our steel as new. We know this is not the case. Our retaining walls division buy in a significant portion of their steel sheet piles as used and utilise them numerous times before they are implemented into permanent solutions. As this is our baseline year, we did not have a way to quantify this amount, and therefore, took the decision to report it all as new as we felt it was better to demonstrate worst case.

Climate and Emissions

Scope	Heading	Emission (tonnes CO2)	Scope	Heading	Emission (tonnes CO2)
1	Mobile Consumption	524	3	Upstream Transport	986
1	Gas Used	1	3	Employee Commute	221
2	Purchased Electricity	458	3	Timber	205
3	Raw Material - Steel	23,754	3	Lubricants	163
3	Raw Material - Cement/Concrete	6,928	3	Insurance	160
3	Equipment Hire	1,706	3	Construction at Newark	157
3	Fly Ash and other Petroleum Products	1,016	3	Other Items	127
3	Capital Equipment Purchased	996			

Aarsleff and Centrum understand that in order to reach net zero, the construction and ground engineering sector requires a lot of innovation. As seen in the figures above, the majority of our emissions come from steel and concrete.

This is why we're partnering with other companies in innovative trials which look to significantly reduce the embodied CO2 of our ground engineering solutions. Centrum Pile, are a partner in the LOCOWAG¹² (Low Carbon Concrete within Aggressive Ground) project. Representatives from DB Group, the main partner on the project, and BRE attended site along with Aarsleff staff to witness the trial piling. The project is funded by Innovate UK and seeks to:

- Develop, assess, and demonstrate AACM concrete formulations meeting user needs for foundations (buildings and infrastructure)
- Demonstrate and assess use of AACMs in piling applications to de-risk adoption
- Carry out laboratory tests to assess durability of AACM concrete formulations in sulphate-rich conditions (and other key performance characteristics), and compare with those of PC-based and other AACM-based concretes, as a driver for new industry-wide guidance/standards (such as BS8500, BRE IP 17/05 and BRE SD1)
- Assess business models and barriers to market and address these
- Convene an industry stakeholder group via A3CM UK to support the production of new industry guidance.

Rainwater harvesting is undertaken using 3,300m² of roof space on the Centrum Pile facility's roof. The holding tank can hold up to 75,000 litres of water. The water is used within the pile making process, which can require 180,000 litres of water per week.





AarWorld - Targets on Climate Impact

1. Transition all company cars to hybrid or electric by 2025*
2. Improve energy usage within the Centrum factory using new technology
3. Switch to all renewable bought energy by October 2023
4. Offer CO2 data for projects at tender stage by October 2024
5. Reduce timber waste by 50% by 2023
6. Reduce all waste generated by 40% by 2030
7. Enhance our supplier policy and vetting process for key suppliers (cement, timber, steel) by October 2023
8. Measure and report on value-engineering savings by October 2023

*we will also continue to monitor the viability of switching the van fleet to electric - currently the commercial scopes available and the charging infrastructure are not strong enough for us to commit to a switch



AarPeople - Targets on Employee Satisfaction

1. Deliver unconscious bias training to 100% of senior management by October 2023
2. Further embed equality, diversity, and inclusion into our company culture, maintaining a working environment that is appealing to all
3. Deliver sustainability training to 100% of our workforce by October 2023
4. Deliver health and wellbeing training to 100% of our workforce by 2024



AarImpact - Targets on Societal Impact

1. 7% of workforce to be enrolled on accredited training programmes by 2025 (assured by the 5% Club)
2. Offer employees 2 paid volunteering days in 2023
3. Deliver 3 skills/learning workshops within the community through our YMCA partnership each quarter by 2025

Something missing?

The biggest contributors to our carbon footprint are concrete and steel. We are aware of the need to innovate and change our current methodologies to reduce the impact these products have on the planet. Due to our position as a sub-contractor and the current design ramifications of lower carbon options on the market, we have not yet set specific targets for reduction in these areas. We are committed to working with industry partners and monitoring industry projects to stay as on top of innovation on concrete and steel as possible. We will offer lower carbon options to our clients at tender stage, and work with partners on pushing towards the design standards being approved for widespread use.

By 2025, we will set ambitious targets to reduce emissions associated with steel and concrete, spending the time between now and then working with the industry to develop design parameters and drive innovation.

The UN's Sustainable Development Goals

The 2030 Agenda for Sustainable Development, which was ratified by all UN Member States in 2015, offers a common road map for achieving peace and prosperity for people and the planet both now and in the future. The 17 Sustainable Development Goals (SDGs), which are an urgent call to action for all nations in a global partnership, are at the centre of it. They understand that combating poverty and other forms of deprivation requires policies that enhance health and education, lessen inequality, promote economic growth, combat climate change, and fight to protect our oceans and forests.

We recognise these goals as an opportunity to map our efforts and impact on sustainable development, as well as to give us inspiration for areas we may not think we impact heavily. The most relevant goals for each strand of our strategy are laid out below.



References

- 1) Per Aarsleff A/S Annual Report 2021/22 - <https://www.aarsleff.com/ext-uk/investor/annual-reports>
- 2) GRI Standards - <https://www.globalreporting.org/standards/>
- 3) 2011 census data - <https://www.ons.gov.uk/census/2011census/2011censusdata>
- 4) The 5% Club - <https://www.5percentclub.org.uk/>
- 5) Supply Chain Sustainability School - <https://www.supplychainschool.co.uk/>
- 6) YMCA Newark and Sherwood - <https://ymcanewarksherwood.org/>
- 7) CPD - <https://cpduk.co.uk/providers/aarsleff-ground-engineering>
- 8) Aarsleff Policies - <https://aarsleff.co.uk/about-aarsleff/policies/>
- 9) Aarsleff Accreditations - <https://aarsleff.co.uk/about-aarsleff/health-and-safety/>
- 10) UK Net Zero Commitment - <https://www.gov.uk/government/publications/net-zero-strategy>
- 11) ENCORD Model - http://www.encord.org/wp-content/uploads/2010/05/ENCORD_Construction-CO2-Measurement-Protocol.pdf
- 12) LOCOWAG - <https://gtr.ukri.org/projects?ref=50436>

GRI Index

Disclosure	Reported (Y / N / N/A)	If yes, page of report	If no, why not?
Disclosure 2-1 Organisational Details	Yes	3	
Disclosure 2-2 Entities included in the organization's sustainability reporting	Yes	5	
Disclosure 2-3 Reporting period, frequency and contact point	Yes	5	
Disclosure 2-4 Restatements of information	n/a		
Disclosure 2-5 External assurance	Yes	5	
Disclosure 2-6 Activities, value chain and other business relationships	Yes	3	
Disclosure 2-7 Employees	Yes	8	
Disclosure 2-8 Workers who are not employees	Yes	8	
Disclosure 2-9 Governance structure and composition	Yes	6	
Disclosure 2-10 Nomination and selection of the highest governance body	Yes	6	
Disclosure 2-11 Chair of the highest governance body	Yes	6	
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	Yes	6	
Disclosure 2-13 Delegation of responsibility for managing impacts	Yes	6	
Disclosure 2-14 Role of the highest governance body in sustainability reporting	No		Reported by Parent Company
Disclosure 2-15 Conflicts of interest	Yes	6	
Disclosure 2-16 Communication of critical concerns	Yes	6	
Disclosure 2-17 Collective knowledge of the highest governance body	Yes	6	
Disclosure 2-18 Evaluation of the performance of the highest governance body	Yes	6	
Disclosure 2-19 Remuneration policies	Yes	6	
Disclosure 2-20 Process to determine remuneration	Yes	6	
Disclosure 2-21 Annual total compensation ratio	Yes	6	
Disclosure 2-22 Statement on sustainable development strategy	Yes	2	
Disclosure 2-23 Policy commitments	Yes	10	
Disclosure 2-24 Embedding policy commitments	Yes	10	
Disclosure 2-25 Processes to remediate negative impacts	Yes	14	
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Yes	6	
Disclosure 2-27 Compliance with laws and regulations	n/a		
Disclosure 2-28 Membership associations	Yes	10	
Disclosure 2-29 Approach to stakeholder engagement	Yes	7	
Disclosure 2-30 Collective bargaining agreements	n/a		



AARSLEFF

All information is correct at time of publication

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