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CSR-report 2018

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Colas' social responsibility

For nearly 90 years, Colas has built and maintained our common infrastructure. Ethics and social responsibility are fundamental strategic priorities at Colas. Our mission is to safely and sustainably create the roads of tomorrow for the benefit of society, and we perform our work with consideration for the environment, our employees, and the world around us.

Colas Danmark A/S is one of the asphalt industry's leading companies, with branches throughout Denmark and in Iceland. Since 1995, we have been part of the Colas Group, which is owned by the Bouygues Group. The Colas Group is a global market leader in the construction and maintenance of infrastructure. As a market leader, the Group is keenly aware of its social responsibility. Human resources, occupational health and safety, the environment and ethics are all high priority areas.

Ethics and social responsibility

The foundational values of Colas Danmark A/S are rooted in the UN Global Compact, which the Bouygues Group signed in 2006, as well as the "Bouygues Group Ethics Policy" and "Colas Group Management Principles".

All companies in the Colas Group must comply with rules on anti-corruption, fair competition, conflicts of interest and insider trading. In 2018, Colas Danmark A/S implemented the Bouyques Group's new and comprehensive compliance programme. This important work will continue in 2019.

Working with legal advisors in the individual countries, the Colas Group, including Colas Danmark A/S, made extensive preparations for the updated General Data Protection Regulation (GDPR) that entered into force in May 2018, thereby ensuring that personal data is handled in accordance with the rules. Among other measures, Colas updated its IT systems, upgraded and secured physical archives, and performed an extensive review of various procedures. Employees at various levels of the organisation were also informed about the new GDPR rules on the processing, storage and transfer of personal data.

Innovative ad sustainable solutions

Colas Danmark A/S manufactures and sells asphalt, in-

cluding gravel and bitumen products. New products are continuously being developed in collaboration with the rest of the Colas Group, the Group's asphalt labs, our customers, and our partners.

We deliver solutions and advisory services for private and public sector customers. The industry is characterised by intense competition, and we expect that competitive parameters in the market will include energy efficiency and the ability to develop innovative and sustainable solutions that meet the needs of society for climate protection measures, CO₂-reducing products, and new types of road surfacing.

Employee well-being and development

Talented and engaged employees with good well-being are essential to meeting our high expectations and our customers' demands for quality and cooperation. We have a strong focus on attracting and retaining employees - and it is our vision to be the industry's preferred workplace. Therefore, we strive to create a good workplace environment for our employees, which includes well-being, personal and professional development, and opportunities to collaborate across the organisation. These efforts also contribute to training employees and managers at all levels to meet the challenges of tomorrow.

Colas and society

Colas strives to be a transparent company that openly and honestly communicates information about our activities and results. We communicate information to the public via several channels, including our website and social media, as well as direct dialogue at open house events, trade fairs and events for students.

The ethical principles of the Colas Group - including respect for human rights, dialogue with the world around us, and fair and open competition in relation to our customers and partners – are at the core of how we run our business and must be observed by all of our employees.

Occupational health and safety

Colas is aware of the occupational health and safety dilemmas in connection with long workdays, which are often necessary because of the seasonal nature of our work. Most contracts have tight schedules and often require our employees to work at night to minimise the impact on traffic. These conditions place great demands on our employees and on our planning of their work.

Through dialogue and good planning, we have secured the permission and support of authorities in some municipalities to close all traffic at our work sites. This makes it safer for our employees working on the road, as well as for road users, and the work can be completed faster than with traffic on the road.

An active contributor

Colas wants to play an active part in the development of our society. Therefore, taking a shared responsibility for educating new generations and developing new products comes naturally to us – just as we believe it is our responsibility to ensure that occupational health and safety and sustainability remain high on the agenda.

In this CSR report, we take a look at some of our areas of focus in 2018. This report is not an exhaustive account of our CSR activities, and we have a firm commitment to addressing new challenges as they arise.



Hans Oluf Krog CEO Colas Danmark A/S

Values and certifications

Colas Denmark's overall values are based on the UN Global Compact, signed by Bouygues Group in 2006, and:

- "Bouygues Group's ethics policy"
- "Colas Group Management Principles"

Colas' management system has obtained the following ISO certifications:

- DS EN/ISO 9001 certificate
- DS EN/ISO 14001 certificate
- DS OHSAS 18001 certificate
- DS EN/ISO 50001 certificate

Colas Danmark A/S was certified according to the new standards 9001:2015 and 14001:2015 in September 2017.

CE certification at Colas covers a range of products and activities:

- Asphalt: EN 13108-1:2006, EN 13108-2:2006, EN 13108-3:2006, EN 13108-5:2006 and EN 13108-7:2006
- Aggregates for concrete: EN 12620:2002+A1:2008
- Bitumen emulsions: EN 13808:2013
- Polymer-modified bitumen: EN 14023:2010





One Colas strategy

Earlier this year, the Colas Group presented its new One Colas strategy, which covers 55,000 employees in 50 countries, including Colas in Denmark. This five-year strategy aims to prepare the Group and its companies for the challenges of the future.

What One Colas means for Colas Danmark A/S

At Colas Danmark, we are already working in many of

the focus areas of the One Colas strategy, and we will use the One Colas strategy to improve even more.

The mission is to promote infrastructure solutions that support sustainable infrastructure, and the vision is a common global expertise that supports a strong brand and profitable growth.

We call it the Colas Way.

CLIMATE AND ENVIRONMENT



Veien frem

Policy for quality, energy, environment and working environment

Based on our vision and values, we want to integrate quality, energy, environment and working environment considerations into our decisions and actions.

Doing this ensures that our products and services meet the expectations of our owners, employees, customers and the surrounding community.

We will:

- strive to make our customers satisfied and therefore advise, develop and deliver products and services with the agreed quality and at the agreed time and price
- prevent and minimise environmental and resource impacts of production and paving by avoiding waste and minimising the consumption of energy and resources when performing our work. In addition, make energy-efficient design and support the purchase of energy-efficient products and services
- continue our efforts to prevent work accidents and work-related injuries, and to work for a good psychosocial working environment
- comply with the law and abide by recognised norms and standards
- motivate, develop skills and involve all of our employees in the quality, energy, environment and working environment activities
- set targets for quality, energy, environment and working environment, assess our results and continuously improve, while communicating openly about this work.

May 2017

Hans Oluf Krog CEO



Read more about our work with quality, environment and working environment on our website.



In October 2018, Colas exhibited for the second year in a row at the Building Green trade fair, an event dedicated to sustainable construction and sustainable products for the construction industry.

Colas Danmark A/S teamed up with Dansk Overfladebehandling I/S at a stand where we presented Vandvejen (Waterway), Wattway, our permeable surfacing ColDrain, and Vegecol, an environmentally-friendly alternative to traditional binders.

Fair attendees expressed strong interest in our sustainable products. Over the two-day trade fair, Colas stayed busy talking with many of the 7,226 fair visitors about our sustainable products.



A troop of scouts and local residents can count on their shoes staying dry on the walk home or when visiting the FDF scouts cabin on Toftevej in Gastrup near Roskilde. Colas recently laid new climate-friendly surfacing in place of the former gravel road.

Colas laid permeable asphalt (drainage asphalt) on Toftevej in the Roskilde Municipality town of Gadstrup. The road is one of the municipality's new LRD (Local Rainwater Drainage) roads.

The gravel base and drainage gravel underlying the drainage asphalt allow water to drain through the road. When it rains, the water first penetrates the permeable

asphalt and continues through the gravel, thereby delaying the drainage process. A drainage pipe runs along the middle of the road underneath the layers of gravel and channels away any excess water.

In the event of torrential downpours, the water is channelled from the road in a way that prevents the overloading of sewer systems.

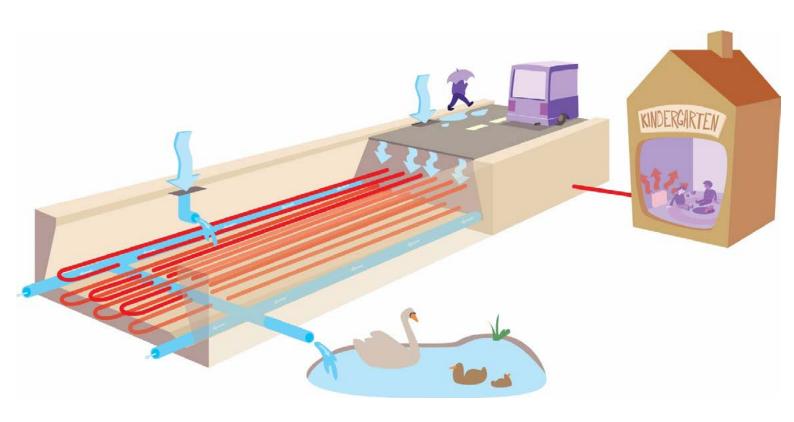


Illustration: VIA University College Horsens and Hedensted Municipality

Climate road manages rainwater and supplies day care centre with geothermal heat

On 12 March 2018, Mayor Kasper Glyngø – joined by the children from Børnehuset Lille Dalby day care centre – officially opened Hedensted Municipality's new climate road. The climate road, surfaced with permeable asphalt, was laid by Colas under a contract awarded through a tender process.

The project is a collaboration between the municipality and VIA University College Horsens, and is part of the EU's climate adaptation initiative "Coast to Coast Climate Challenge".

Permeable asphalt from Colas

The climate road is 50 metres long – 25 metres of standard asphalt and 25 metres of permeable asphalt, laid in accordance with the tender conditions. Unlike standard asphalt, rainwater can penetrate through the permeable asphalt. The water is then drained via drainage systems to a stormwater basin, thereby ensuring that the climate road does not overburden the sewer network.

VIA University College Horsens will use the climate road in

connection with a research project exploring the potential of such roads in terms of water management and generating sustainable energy.

Sustainable heating for day care centre

The climate road can do much more than just manage rainwater. It will also supply a nearby day care centre with sustainable heat and hot water. Geothermal heating hoses underneath the asphalt are heated by the rainwater seeping through the asphalt. This sustainable solution will reduce the municipality's carbon emissions.

The project is fully in line with the efforts of Colas to develop solutions to mitigate and manage the impacts of climate change.



Driving on climate-friendly asphalt with low rolling resistance improves the fuel efficiency of vehicles. That's good for drivers' wallets and for our collective carbon footprint. In September 2018, Colas laid climate-friendly asphalt for testing on a 1.5-kilometre section of Skovvejen in western Zealand.

The special composition of the climate asphalt reduces rolling resistance between tyres and the road. This lowers the fuel consumption of vehicles, and thereby helps to reduce carbon emissions.

The project in western Zealand was carried out for the Danish Road Directorate as a demonstration project.

Climate-friendly asphalt with positive "side effects"

The ambition of the Danish Road Directorate was to develop a product that can help reduce greenhouse gas emissions. At the same time, the Danish Road Directorate wants a product that lasts as long as the types of asphalt it uses today. Over the past five years, the Directorate has conducted tests with this type of asphalt and has now identified a product that is expected to offer the

same durability as the motorway surfacing it traditionally uses.

-The asphalt is composed of good materials in terms of the filler, stones and bitumen. And that gives the product a very good expected lifetime, explains laboratory manager Marting Korsgaard from Colas, who adds: -An important 'side effect' is that it also reduces noise, which means a lot for people who live near the road.

The project was carried out on a 1.5-kilometre stretch of Skowejen near the town of Tornved, corresponding to a total paved area of approximately 12,000 square metres. The project used approximately 1,000 tonnes of climate-friendly asphalt.

Increased ratio of recycled asphalt in wear layer now approved

Now up to 30% of a road's wear layer can be comprised of recycled wear layer asphalt. The efficacy of this ratio was demonstrated in a project conducted by the Danish Technological Institute, in partnership with the Danish Road Directorate and the Danish Asphalt Pavement Industry.

The project firmly establishes that this increased ratio of recycled asphalt has no impact on the quality or safety of the road. In the past, recycled asphalt was only allowed to comprise 10% of the wear layer due to a lack of documentation regarding quality and safety.

The results of the project open the door for increased use of recycled asphalt, offering financial and environmental benefits including lower consumption of raw materials and thereby reduced carbon emissions.



For the benefit of employees and the environment, in 2018 Colas Danmark A/S replaced standard diesel at its own filling stations with the cleaner GTL fuel, which is made from natural gas. From now on, more than 500 machines, cargo vehicles and lorries will be powered by the natural gas-based fuel, which emits up to 38% fewer hazardous particles.

In June 2018, Colas Danmark A/S became the first road contractor in Denmark to make the switch from traditional diesel to GTL fuel, which was recently introduced on the Danish market. The company's extensive fleet of vehicles and construction machines – including more than 500 asphalt pavers, road rollers, cargo vehicles and lorries – will now run on this cleaner, natural gas-based fuel.



By replacing diesel with GTL at its own filling stations, Colas Danmark A/S cuts emissions of hazardous particles and NOx gasses from its many diesel-powered machines and vehicles by up to 38%. Colas has thereby taken yet another step in its efforts for the environment and occupational health and safety.

-We are very aware of the impact of our construction work on our surroundings and employees. By swit-

ching to GTL, we have found a quick and easy way to reduce emissions of particles, smoke and odours from our machines and vehicles – and that's to the benefit of our employees, our neighbours and road users. I'm particularly pleased that we've significantly reduced our contribution to local air pollution from asphalt work in densely populated cities such as Copenhagen and Aarhus, says Hans Oluf Krog, CEO of Colas Danmark A/S.

GTL fuel - a cleaner alternative to diesel

The switch to GTL was made in collaboration with the energy company DCC Energi, which sells GTL fuel in Denmark. The big advantage of using GTL is that it burns much cleaner than diesel and can be used in diesel-powered vehicles and machines without making any changes to the engine. Compared to diesel, GTL emits far fewer hazardous particles and it is virtually free of smoke and odour.

About GTL fuel

- GTL an acronym for "Gas To Liquids" is a new, cleaner fuel made with natural gas, and is now sold in Denmark.
- Compared with standard oil-based diesel, GTL burns significantly cleaner. Depending on the type of engine, GTL can reduce emissions of particles and NOx gases by up to 38%.
- Using GTL does not require any changes to the engine or other investments in the vehicle.

Politicians visit Nysum gravel pit

In connection with a revision of the Raw Materials Plan, politicians and officials from North Denmark Region visited a number of gravel pits in 2018 to gain greater insight into gravel pit operations. On 22 August, they visited Colas' gravel pit in Nysum and took a guided tour with plant manager Tommy Bjerregaard.

The Raw Materials Plan aims to ensure that neighbours, nature and the environment are all taken into account when extracting raw materials.



Three-year energy management initiative

Over the past three years, Colas has been ISO 50001 certified and we have had an agreement with the Danish Energy Agency on energy efficiency. Our energy management work has been very interesting and has delivered tangible energy efficiency improvements.

As a result of these efforts, Colas has very few unrealised energy efficiency projects with a payback time under five years – according to the requirements set out by the Danish Energy Agency, companies must carry out

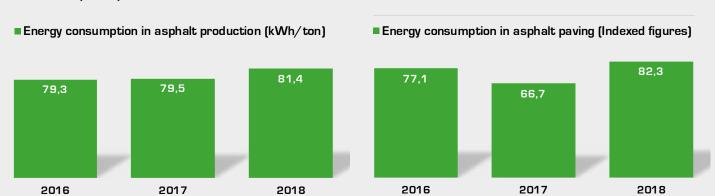
any such projects no later than one year after they have been identified.

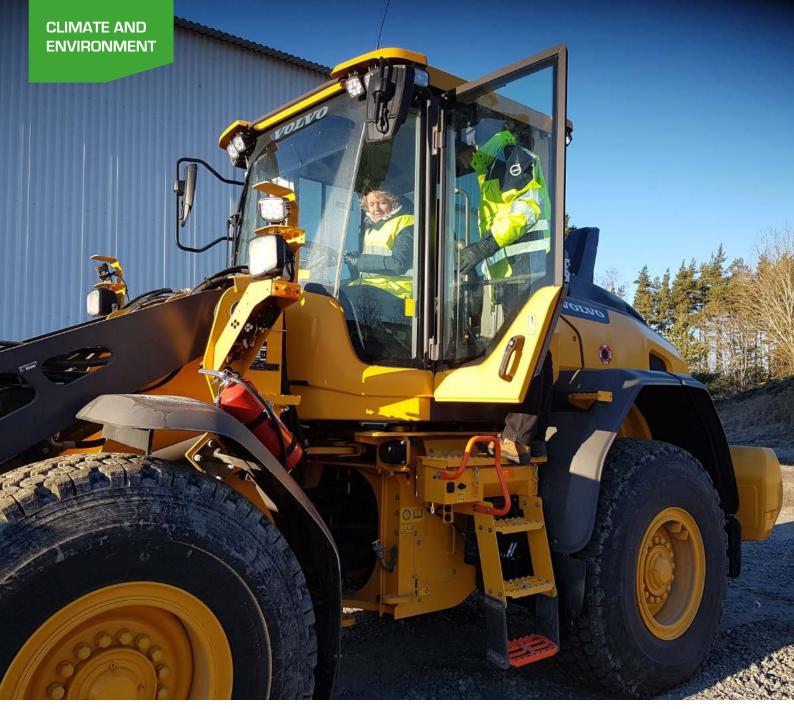
During this period, we conducted three special studies: "Water content in raw materials", "Key figures for asphalt production", and "Heat recovery from the drying process". These studies have established proven data that we can use instead of mere assumptions, and we now have more accurate and useful key figures for our production management system and energy follow-ups.

Energy consumption

The total amount of asphalt produced in 2018 declined, which results in a higher amount of energy consumed per ton produced. This is due in part to the fact that the factories have a baseline energy consumption for tasks such as heating bitumen. Furthermore, there were fewer large-scale production runs in 2018 compared to 2017, and thereby more start-ups, which also results in higher energy consumption.

The decline in production, combined with fewer large-scale paving projects, has resulted in higher energy consumption per ton of asphalt laid. Another contributing factor in this regard is that equipment and crews have to move more often from job to job.





Volvo's Eco-operator course

Any reduction in fuel consumption makes a real difference i relation to carbon emissions.

The Eco-operator course at Volvo in Eskilstuna, Sweden is for experienced machine operators. The course gives them in-depth knowledge of the machines' functions, enabling them to use them correctly in everyday work – and thereby reduce fuel consumption.

Colas QHSE and CSR Manager Lene Møldrup and a couple of machine operators from Colas Danmark A/S attended the Eco-operator course in November 2018.

-The course instruction covered the design of the machines, energy consumption and carbon emissions, as well as hands-on exercises with the machines and demonstrations of efficiency and fuel consumption, says Lene Møldrup.

-How can the machine operator, for instance, reduce fuel consumption without spending more time – even if the vehicle is carrying a heavy load? Some of the most important points we took home from the course included:

- Move the materials as few times as possible.
- Always choose the shortest route, and drive to avoid obstacles.
- Remember to cooperate with the driver who is delivering or picking up materials.
- Position the lorry correctly so that the machine operator drives the shortest possible distance and maximises efficiency.



Biodiversity in Colas' gravel pits

Sand martins

Each year from May to September, birds of the species sand martin fly from Africa to Kaldred gravel pit on the Danish island of Zealand to mate. After a decline beginning in the 1960s, the population of sand martins is now growing, and we are pleased to house a large colony in our gravel pit.

-Of course, that means we can't work in the area when the birds are mating, says Colas' facility manager. -The sand martin is protected, and we consider it part of our mission to help protect nature. Therefore, we welcome our summer guests and enjoy observing the busy activities of these birds. They can actually manage to hatch a brood of chicks twice during their stay here at the gravel pit. Watch the film about our gravel pit in Kaldred.

Bees

At our gravel pits in the Danish towns of Molger (in Jutland) and Løgtved (in western Zealand), we have set up beehives to help preserve the population of bees, which are currently threatened in Europe and the United States. The beehives are tended to by local beekeepers who produce honey. The beehives are positioned in the gravel pits near the flowers from which the bees collect nectar.



Ten beehives have been set up at the gravel pit in Løgtved.

In western Zealand, the beekeeper Mr. Breel tends to the beehives. Breel has approximately 100 bee colonies in the area and produces queens and small colonies for resale. The honey they produce is sold to local supermarkets and to a maker of the alcoholic beverage mead. The beekeeper provides for the pollination of variety of crops, including rapeseed and clover.

The gravel pit in Løgtved has also erected nest boxes for little owls, tawny owls, long-eared owls and bats, much to the delight of bird enthusiast and facility manager Ole Bülow.



Top: Owl boxes

Buttom: Bat nest boxes

EMPLOYEES AND SOCIAL CONDITIONS



Colas & You employee survey

In the autumn of 2018, Colas SA issued the second edition of a major employee survey called "Colas and You".

The survey aims to measure employee satisfaction and gain insight into employees' expectations of Colas. The responses will be used in connection with the ongoing development of Colas at Group level and in the individual countries.

The survey covers topics including: day-to-day work, sa-

fety in the workplace, relationships and management, development, pay and communication.

All salaried employees were invited to share their views using an online questionnaire. The survey is being conducted by an external analysis company, OBEA Company, which also guarantees the anonymity of respondents. The results of the study are expected to be announced in early 2019.

HR at Colas

Employee satisfaction plays a major role at Colas and was once again a key area of focus in 2018. To work more proactively for employee satisfaction, Colas' HR department focused on increasing its visibility within the company and improving access to HR for all employees at Colas.

As part of these efforts, one HR position was transferred from Zealand to Jutland. In March 2018, we welcomed a new HR Business Partner based in Viborg, who is now responsible for Jutland and Funen.

With this new position in Jutland, our two HR Business Partners managed to visit and support every asphalt crew and branch of Colas Danmark A/S in 2018 – thereby realising the strategic goal of proactively bringing HR closer to employees.

From employee magazine to newsletter

In 2018, Colas decided to send an electronic newsletter to employees. The newsletter was to be issued monthly as a replacement for the employee magazine Colas Nyt, which was previously published twice annually.

Many of the readers in the target group are hourly-paid employees who do not have access to a computer and the intranet while on the job. With the newsletter, readers are presented with fresh news rather than information that is several months old.

The newsletter is still in the trial phase and will be assessed in 2019.



Foreman by day – Ironman in his spare time

When foreman Anders Lyhne Olesen from Aalborg comes home from a day of hard physical asphalting work, he keeps pushing the pace with hard physical training. Anders is a triathlete and has already completed two Copenhagen Ironman triathlons.

-When I get home from work, it's not always fun to have to go out and bike for two hours, but it becomes a habit, says foreman Anders Lyhne Olesen from Aalborg.

Cycling is one of the three disciplines in a triathlon (swimming, running and cycling), and the one Anders finds most challenging. He has completed the Copenhagen Ironman triathlon twice, which includes a 180-kilometre bike ride that requires rigorous training.

The best things are my colleagues and planning

Anders is the foreman of a three-man crew and he enjoys his job. -The best things are my colleagues and the work that goes into planning the day. I like having to make sure that everything comes together nicely. We often have to visit a number of sites in the same day, so it's satisfying when the planning is successful.

Anders and his team primarily work in Vesthimmerland Municipality, and many customers call Anders directly when they have a job.

Going the extra mile is what makes a difference

When you've worked with asphalt for 25 years, most things are routine. -There's not much that can surprise you anymore. You've seen all of the situations that might arise, he explains.

But Anders takes pride in making sure that everything looks right before he leaves the site of a job. -A good asphalt worker is somebody who takes pride in their work and goes the extra mile to make sure the customer is satisfied, says Anders. That's why he always sets a good example by making sure the sidewalk is swept clean before the crew leaves a site.

Tired of dad's bragging

Sometimes, Anders' crew takes part in the big jobs. -Aalborg Airport was an interesting job. It looked insane in the mornings and evenings, with more pavers and rollers than you could count lined up out there. We were there for four or five nights, and my kids are pretty tired of hearing 'dad made that' every time we go on holiday, laughs Anders.

The responsibilities of a foreman

Anders has completed many training courses in Ulfborg, as well as Colas' own management course.

But Anders doesn't spend a lot of time thinking about his role as manager. -I've always been fortunate to have longstanding working relationships with my crewmembers. We get along socially, and we're very productive as a team. After all, I spend more time with them than with the family at home.

Despite the enjoyable working environment, Anders explains that it is difficult to attract new employees: -Young people today would rather work with computers and technology than perform physical labour.

Anders and another foreman have been invited to Zealand to test new technology for the workplace – the new ExoPush cobot. -I'm interested to see if it's easy to operate and if the paving results will be even enough.

Active life runs in the family

In his personal life, Anders is fortunate to have a family that appreciates his drive and dedication to being a triathlete, which means that dad changes from his work clothes to cycling gear as soon as he gets home from a long workday. And the apple doesn't fall far from the tree. His two oldest daughters are runners and both have black belts in karate, while his youngest daughter has a green belt.

Anders is currently training for his next Ironman and hopes to participate in the Copenhagen Ironman once again next year.



Anders Lyhne Olesen

René accepted the challenge

When district manager Peter Langballe asked foreman René Frank Rasmussen if he was interested in teaching a course at the vocational school AMU in Audebo, he jumped at the opportunity.

It was a ten-week teaching job at the school, where many of the students already had a lot of experience with asphalt work.

-lt's a pretty big challenge to teach people with 40 years of experience in the industry, which is what some of these course participants have. Fortunately, though, many of them told me that they learned something new, says René.

The extensive course covers the operation of various machines and calculating the quantities needed for asphalt work.

René says that he would definitely spend another winter teaching the course if asked again.

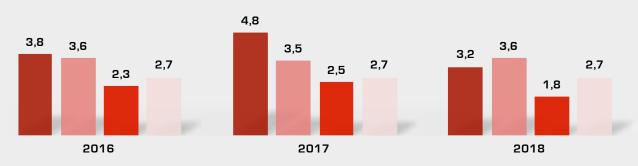


It was a new challenge to teach a class at the AMU vocational school in Audebo for people with 40 years of experience in asphalting, says foreman René Frank Rasmussen.

Sickness absences

Sickness absences at Colas Danmark declined in 2018 to a level under the average rate for the industry in Denmark. This applies for both hourly-paid and salaried employees.

- Hourly-paid staff
- Hourly-paid staff (statistics for the sector)
- Salaried employees
- Salaried employees (statistics for the sector)



Proof of asphalting expertise

In the autumn of 2018, Oliver Jess Tymm-Andersen completed the twoyear training as a road asphalter and earned a diploma proving his asphalting expertise.

Oliver's foreman thought that the training programme in road asphalting would be a good idea for Oliver. Although Oliver already had years of experience working on asphalting crews, the programme provided new knowledge about asphalt. -You get more in-depth with the materials, and there's also the strong camaraderie that comes from studying with 30 other students from various companies.

Oliver was nervous before the final exam, but he passed with flying colours and scored top marks in both the oral and hands-on exams. The students were also told that they had delivered some of the best work the school had ever seen.

Yellow asphalt to match the sports car

Many of Oliver's jobs involve car parks and paths, and he particularly likes working in his hometown of Elsinore.

-When somebody passes by and says 'Great job you've done there', I take it as a pat on the back and appreciation of my work.

Oliver also likes the fact that no two days are ever the same. One of the more unusual jobs he had was laying yellow asphalt on a privately-owned property. -The guy wanted it to match his sports car! laughs Oliver.

Football in Denmark's serie 3 league

In his free time, Oliver plays football in Tikøb. The team was just promoted to the serie 3 league, and they practice every Tuesday and Thursday, with matches on Saturdays. Oliver was also part of the Colas team in the Colas Team Cup 2017 semi-finals in Liége, Belgium. -That was a great trip! he says.



Oliver was part of the Danish team that reached the semi-finals of the Colas Team Cup 2017 in Liége, Belgium.



In 2018, Colas congratulated six newly trained road asphalters who completed the course at the school in Ulfborg.



The gravel pits in Kaldred and Løgtved – both near Kalundborg – welcomed many interested guests when they held an open house event in August 2018.

For some years now, Colas' gravel pits in Jutland and on Zealand have endorsed the "Code of good neighbours in the extraction of raw materials".

This endorsement is in line with Colas' environmental goal of minimising negative impacts on the environment and our surrounding community, and to avoid resource waste in our work.

The codex establishes guidelines for the coexistence of

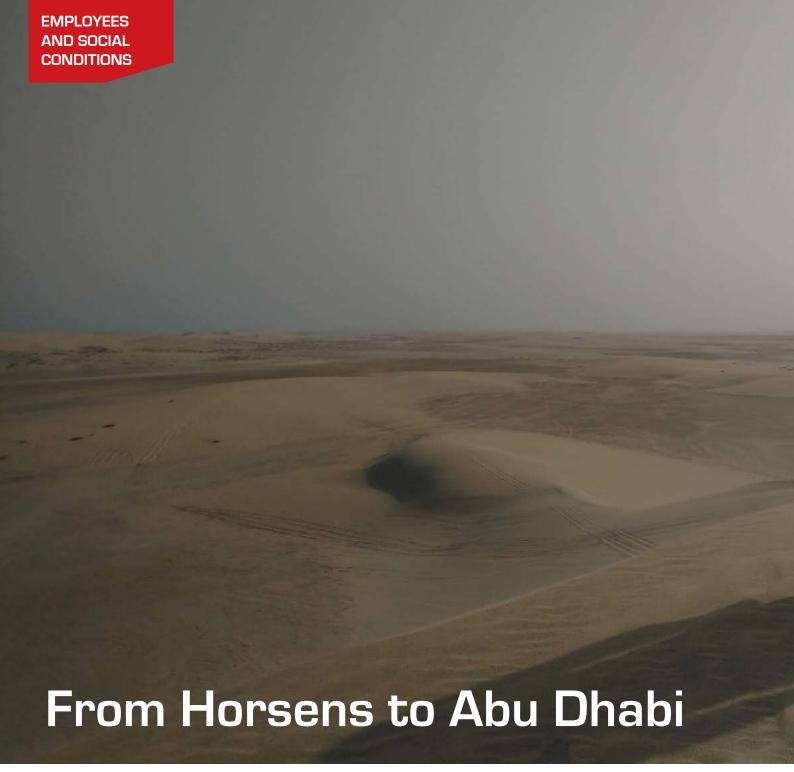
businesses and their neighbours. Dialogue is an essential component of this relationship. Therefore, we regularly invite neighbours, business partners, employees and their families to open house events at our gravel pits and our plants.

Collaboration with educational institutions



At Colas, we are constantly working to improve, and we strive to ensure that we remain open to new ideas and input. Once again in 2018, we invited students into Colas for a fresh perspective on our work and to show them our company.

These activities included giving guided tours of Colas, teaching classes on asphalting, internships, and exhibiting at career fairs around Denmark. We are always impressed by how engaged and well-prepared these students are when we meet them, and we look forward to continuing these good collaborations in 2019.



Anders Fynboe is now general manager in Abu Dhabi at the Colas Group's company Tarmac. He was hired just a few years ago as an engineer at Colas in Horsens.

Young and adventurous engineer

Just a short time after joining Colas in Horsens as an engineer, Anders Fynboe was offered a position at Colas' subsidiary in Iceland – and he seized the opportunity immediately. Travelling abroad and experiencing the world was already a big part of his plans. But he never dreamt that less than one year later he would be operations manager at the Colas Group's company in Qatar.

The size of a project is not the biggest challenge

-Before I moved to Qatar, I had an idea that you could live abroad for just one year. But that's not even close to enough. All of the practicalities of moving and getting



Members of the Tarmac staff.



settled in a new place take time – especially when there are major cultural differences, says Anders Fynboe, who after spending one year in Qatar moved to Abu Dhabi, where he is now general manager. He is now responsible for 150 employees, two asphalt factories and a quarry.

-Out here you can really feel that Colas is a big international company. The projects are much bigger and the procedures are different than back home. But the biggest challenges are the cultural differences and language barriers. My employees speak 15 different languages and come from a wide range of different cultures.

You have to take the initiative

Anders Fynboe hit the ground running from day one in both Qatar and Abu Dhabi.

-Colas is relatively new in the Middle

Eastern market. That means you have to be able to work independently and take the initiative. But it also means that I have a lot of power to shape my job, says Anders Fynboe.

Anders has now been at Tarmac in Abu Dhabi for about nine months and he is in the process of establishing ties with customers and business partners.

Colas Danmark has previously stationed employees in Dubai and Abu Dhabi, but only for temporary stays to train local staff in asphalting.

Respect for human rights

Focus on anti-discrimination

With nearly 500 employees from a diversity of backgrounds, it is important to create an environment with room for everyone. We have actively worked with our anti-discrimination policy for many years, and the topic was once again on our agenda in 2018. We highly value diversity among our staff, and we consider the composition of our staff in connection with recruitment, hiring and termination of employees.

Our efforts in 2018 included work on our recruitment process. We developed an action plan for the recruitment of our managers, making it clear what questions can and cannot be asked during an employment interview.

Factors such as age, gender, religion, membership of associations, and ethnicity must never play a part in who is offered employment at Colas.

Supplier management

As part of our quality management, we work actively with supplier management, which we view as a means of ensuring that our suppliers act responsibility in terms of quality, health, safety and environment.

We focus on the suppliers where we can make a real difference, i.e. where the services and goods are of a strategic nature or the volume is sufficient to constitute a significant risk. These suppliers are assessed once annually in relation to the services and goods they have supplied, as well as a number of parameters impacting both their and our quality, health, safety and environment. The assessment may lead to an audit of the supplier, in which unsatisfactory results of the assessment are reviewed, and actions and follow-ups can be planned.

Read more about Colas' ethics policy.

Equal opportunity – equal opportunity policy

The Colas Group's equal opportunity and diversity policy aims to give all talented staff the opportunity to contribute to the collective success of Colas. The policy builds on cornerstones such as social integration, gender diversity and age diversity. The core principle of Colas' human resources policy is the equal treatment of all, regardless of national, ethnic, geographic, social, educational, and cultural background.

Ligestillingspolitik for Colas Danmark AS

Oge antallet af kvinder i bestyreisen og på ledeisesniveau

Bagrund

J 2012 vedtog Folkstriget regier om den komsmæssige sammensætning af den everste ledelse i sle store virsambeder. Regierne betyder, at virksomhederne skal udarine er en politik, som fremmer kvinderige generationsheder. Det green og realistisken mål for artalatet af even politik, som Regierne kvinder også, at Colas AS, sloves og realistisken mål for artalatet af sven skolenskensvillede fremmer kvinder også, at Colas AS, sloves og realistisken mål for artalatet skolenskensvillede indeg at antallatet for kvinder i bestyrnisen og dermed sikt stallet men skolenskensvilleder også i melatiset skolenskensvilledere også i melatiset skolenskensvilledere også i melatiset skolenskensvilledere også i melatiset skolenskenskensvilledere også i melatiset skolenskensvilledere også i melatiset skolenskensvilledere.

Mål

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2. Inden 1. april 2002 vil Colas-gruppen – når der rinder også pre kvinderige ledere. Colas-gruppen – pår sk bedede for skolensvillederer skolensvilled

Read Colas' equality opportunity policy.

Milling machine operators take course on communication and conflict management

As always, ongoing training of employees was a high priority in 2018 at Colas Danmark A/S.

In 2017, all of our foremen, sales managers and contract managers took a management course through CfL.

In 2018, our training activities focused on our gaffers and milling machine operators. All of the courses this year focused on communication, conflict management and cross-organisational collaboration.

Course for milling machine operators

The course for 18 of Colas' milling machine operators

built on experiences from the foreman training course, and consisted of exercises and models based on every-day situations and challenges faced by milling machine operators. Topics covered included collaboration between the milling machine operators and foremen, sales managers and contract managers – and how we can work together more smoothly in a busy workday.

The milling machine operators are often in direct contact with road users and must be able to work with our various asphalt crews, each of which might have their own way of doing things. Therefore, communication and conflict management are essential skills.

Annual development interviews are not just for salaried staff

Development interviews for hourly-paid staff

Under a new initiative at Colas in 2018, development interviews were conducted for hourly-paid employees.

-The managers were not required to conduct these interviews, but we encouraged our foremen and managers of hourly-paid employees to try out the tool and report back on the process, says HR manager Anne Køngerskov.

Conducting these development interviews with hourly-paid employees is part of our ongoing focus on wellbeing and retention. The interviews give employees the opportunity to retreat from daily routines for a moment and talk about well-being and motivation – topics that may rarely come up in the course of a busy workday. The interviews also provide a forum for giving and receiving constructive feedback.

At the end of the year we assessed the process and, based on our experiences, we decided to continue conducting these interviews with hourly-paid employees in 2019 – and still on a voluntary basis. In 2019, we anticipate that even more managers will take advantage of the opportunity to conduct development interviews with their hourly-paid employees.

Sponsorships

In the Colas Group, sponsorships and other support of charitable causes are regulated by a policy. The purpose is to ensure due care and prevent actions which could lead to conflicts of interest or harm the reputation of the Colas Group.

In 2018, organisations supported by Colas Danmark A/S included the Foundation Julemærkefonden, which works to ensure that children in Denmark can live a life free of bullying, loneliness and neglect.



Julemærkehjemmene

Her bliver børn – børn igen



Take care of my dad

All children want their mum and dad to come home from work unharmed

In 2018, the Danish Asphalt Pavement Industry and 3F teamed up to re-launch the "Pas på min far" ("Take care of my dad") campaign, with new signs encouraging drivers to reduce their speed when passing by road works.

A highly impactful campaign

The campaign was a huge success the first time it was conducted in 2000, because everyone can relate to the



message. Unfortunately, we forget all too quickly – those behind the campaign re-launch hope that it will help reduce the number of accidents in the vicinity of road works.

With the help of social media, the campaign achieved



high exposure and media coverage in 2018, and asphalting crews participated actively with selfies and calls on drivers to be careful. Colas' asphalt crews also used the yellow signs at road works sites throughout the campaign.

Safety week 2018

The companies of the Colas Group hold an annual safety week with the same theme in all countries. The theme for 2018 was addiction to alcohol, drugs, medicines and mobile phone use, which can impact our ability to perform our work safely.

During the week, all employees of Colas Danmark gathered in their departments or crews for meetings to review the year's theme.

To inspire discussion about the theme, the Colas Group produced <u>a fictional documentary film called "Under the influence"</u>, which was shown in Denmark with Danish overdubbing. The film is about the potential consequen-

ces of coming to work under the influence of alcohol or drugs, or when you are inattentive because you are talking on your mobile phone. The message was that we should never avoid difficult confrontations and dialogue if we learn that a colleague is addicted to alcohol or drugs. We can be a part of the solution by showing the courage to talk to each other about this issue. That's why we called the campaign in Denmark "Let's talk". And when the campaign ended, we encouraged everyone to continue the dialogue.

The safety film won two awards at the Festival du Film Sécurité in France – Best Internal Safety Film and Best Screenplay.

Traffic chaos resolved faster in Northern Jutland

By completely closing a road, the work can be completed in fewer days.

In September 2018, Colas laid a new wear layer on Ny Nibevej in Aalborg, where Colas has a contract to maintain the municipality's roads. Aalborg Municipality and Colas agreed to completely close the road while this work was carried out. This meant long queues for drivers re-routed to other roads. But it also meant that Colas could complete the work in around just three days. If performed alongside traffic in one lane, the traffic chaos would have lasted up to a full week.

Win-win situation

Closing roads for road works improves safety for asphalt workers and road users alike. It also reduces the time spent on setting up traffic signals and road barricades. In other words, it is a win-win situation for all parties.

Good dialogue with the authorities

-We had a good dialogue with Aalborg Municipality about the road closure. In most cases, I think it is advantageous to close the road – for the speed of the work and for the safety of the crew, explains Leon Elkjær, project manager at Colas in Aalborg.

Colas has also made arrangements for no-traffic work zones in the municipality of Lemvig. -lt's very positive that, though a combination of dialogue and good planning, we can obtain the support of public authorities to close the roads while we are working, says Leon Elkjær.

Why is it a good idea to report incidents?

Nobody is perfect – reporting incidents is an important part of our work with quality, health, safety and environment. Identifying causes and solutions to problems helps us to improve and avoid repeating the same mistakes.

In 2018, we implemented a new system for reporting incidents, i.e. problems and errors in quality, energy, en-

vironment, health and safety.

The new system is designed to make it easier for our employees to report incidents and to work with causes and solutions.

The system can be accessed from smartphones, tablets and computers.

Occupational accidents 2016 - 2018

The number of occupational accidents in the asphalt industry – and at Colas Danmark – increased from 2017 to 2018. Prevention efforts in 2018 included a focus on reporting near-miss incidents. Reporting and registering near-miss incidents improves our awareness of what could go wrong and why. It also helps everyone get better at identifying dangerous situations so that we can prevent accidents.



Extra CE marking of many products

To maximise our preparedness for future tenders conducted by developers, the Danish Road Directorate, etc, we decided in 2018 to obtain certification according to yet another product standard, DS/EN 13108-2:2006.

With this certification, relevant products can now also be CE marked according to EN 13108-2:2006.

As 13108-2:2006 is part of the 13108 series, where we already have certification according to 13108-1,-3,-5 and -7, no changes to our processes or descriptions are required.

DNV issued the certification based on an audit performed in September 2018. Colas Danmark A/S is thereby certified according to all relevant harmonised standards in the 13108 series.



Project management

We have established our own project management training programme at Colas for contract managers, sales managers, and other staff with project management responsibilities. In 2018, a new group of participants completed the programme.

The course centres around the internal project management tools that are integrated into Colas' new management system. The course incorporates the experiences

and proposed solutions of the course participants.

Course participants Marianne Wiingreen, Leon K. Elkjær and Mohamad Abed-Allatief explained that the course provided an opportunity for increased and honest exchange of experiences, which leads to a lot of learning, as well as valuable feedback on errors, overlooked issues and otherwise good intentions that may ultimately prove costly.

ExoPush is now both lighter and stronger

The latest edition of the ExoPush asphalting cobot, which takes the place of the asphalt raker, is now even stronger.

The energy the user puts into the work is now amplified seven-fold, compared to the previous five-fold output. And the new model only weighs 8.5 kg, compared to the former model's 12 kg. As a result of these improvements, ExoPush is easier to operate and more flexible.





White asphalt at Denmark's first paved pump track in Roskilde

The BMX track contractor Dirt Builders teamed up with Colas to build Denmark's first paved pump track (BMX track) for Roskilde Municipality. Colas supplied and laid the track's asphalt.

Denmark's first paved pump track opened on Saturday, 23 June 2018. Everyone was welcome to come and try out the track with their own bicycle, roller skates or scooter, along with the BMX riders from Dirt Builders. The track is located at Musiconstien close to Roskilde Town Hall.

BMX hobby turned into a career

Dirt Builders, founded by two passionate BMX riders who are an active in the BMX community in Denmark and abroad, designs and provides consulting services for BMX tracks.

-When you design a track, it's kind of like a water slide.

It's important that the track has natural and fun curves to make it entertaining. And the bumps and crevices have to be designed precisely for a bike. That's where our experience as BMX riders comes in handy, says Christian Korsager from Dirt Builders.

Specialists from Colas

Foremen René Rasmussen and Thomas Herløv Christiansen and their experienced asphalting crews are often called upon when Colas has special orders and needs expert craftsmanship, as with the BMX pump track in Roskilde – even though it was the first time they had ever paved a BMX track.

Ensilagegab for trench silo at Frijsenborg Biogas

Colas supplied and laid 2,500 tons of the special asphalt "ensilagegab" for an 11,000-square-metre trench silo at Frijsenborg Biogas. The trench silo is a new addition to the farm's extensive facilities.

Frijsenborg Gods is one of the five farms under the brand name "de 5 gårde" ("the five farms"), which supplies Denmark with high quality poultry, bread and other specialty products. Reflecting the farm's high environmental awareness regarding its carbon footprint, Frijsenborg Gods has its own biogas plant. The new silo is part of the plant, and will be used to store all by-products from the farm's fields, where they will be ensiled and used to power operations during the winter.

11,000-square-metre leak-proof silo in two days

It's important that the silo's base and walls are leak-proof. In consultation with Colas, Frijsenborg Biogas chose the special product "ensilagegab", which prevents the penetration of ensilage through the surfacing.

-Colas did a great job and deserves a lot of praise for their work. We've worked with Colas before, and it means a lot to us to work with a contractor who takes responsibility. That's why we didn't think twice when choosing an asphalting contractor for the new silo. We're extremely glad that we chose Colas, says Christian Ejby, operations manager at Frijsenborg Gods.



Colas laid asphalt in Frijsenborg Biogas' 11,000-square-metre trench silo in just two days in July 2018.

COLAS ICELAND





Tunnel work with challenges

We had planned to begin tunnel work in 2017, but unforeseen challenges during excavation delayed the project.

Two underground streams – one warm and one cold – were to blame for the fact that Colas Iceland did not begin paving the Vaðlaheiði Tunnel in 2017 as planned. Before the paving could begin, a system of pipes had to be built to drain the water flowing into the tunnel. The streams now supply cold water to the residents of a nearby town, and local investors will use the 46°C hot water for hot water pools and sea baths along the coast. In the summer of 2018, Colas Iceland was finally able to start paving. Normally, this work would start at one end of the tunnel and end at the other, but the work to establish the pipe system was still underway when Colas began paving. Therefore, we had to start in the middle of

the tunnel and work where we could. That meant a lot of driving back and forth before Colas completed the task on 3 November.

Warm workplace in a snowstorm

In December 2018, the tunnel had not yet opened to traffic, apart from emergency response vehicles, which use the tunnel when the mountain roads are impassable due to snow. In December, the snow was already more than 1 metre deep in Akureyri. But the temperature in the middle of the tunnel stays above 30°C thanks to heat emanating from the underground streams and the mountain rock itself.

Where did the sun go?

While the sun shone from morning to evening in Scandinavia in the summer of 2018, it poured rain all the time in Iceland.

From 1 May to 9 July, Iceland had a total of seven days without rain. And that causes problems when you're trying to pave roads. Nonetheless, Colas Iceland managed

to produce 50,000 tonnes of asphalt in the first half of the year, including 4,600 tonnes in just one day. But that was also one of the rare days of sunny weather.

Accounting practices

All data refers to 100% Danish-owned activities and therefore does not include Dansk Overfladebehandling I/S and Malbikunarstödin Hladbær-Colas h.f. unless otherwise indicated.

Employees	Unit	2018	2017	2016
Total employees as of 31 December	Total	431	469	464
Average number of employees during the year	Total	459	470	451
Share of hourly-paid staff	%	61	62	65
Share of salaried employees	%	39	38	35
Men	%	87	87	89
Women	%	13	13	11
Women on the board of Colas Danmark A/S	%	0	0	0
Women in the management of Colas Danmark A/S	%	40	40	30
Average age, hourly-paid staff	Years	44	45	44
Average age, salaried employees	Years	46	46	45
Average seniority, hourly-paid staff	Years	6	7	7
Average seniority, salaried employees	Years	9	11	12

Calculated on the basis of data recorded in the payroll system.

In regards to equality, including the gender composition of the senior management, we refer to Colas Danmark A/S' equality policy at www.colas.dk.

Energy consumption	Unit	2018	2017	2016
Energy consumption in asphalt production	kWh/ton	81,4	79,5	79,3
Energy consumption in asphalt paving	Indexed figures	82,3	66,7	77,1

Energy consumption used in asphalt production is calculated on the basis of calculations of the energy used at the production plant itself, and does not include the energy consumption of rolling stock.

Energy consumption is calculated on the basis of the latest published standard factors for calorific values from the Danish Energy Agency (2016):

- Natural gas: 0,0396 GJ/Nm³
- LPG: 46,00 GJ/ton

Energy consumption in connection with asphalt paving is calculated on the basis of tons of asphalt laid and fuel consumption, which includes all rolling stock with the exception of milling and spraying vehicles. Energy consumption is calculated as indexed figures (the year 2011 = 100).

Recycling of asphalt		2018	2017	2016
Average addition of recycled asphalt	%	17,1	14,6	15,7

Average addition of recycled asphalt is calculated as the share of recycled asphalt in relation to the total amount of asphalt produced.

Work accidents	Unit	2018	2017	2016
Work accidents resulting in death	Total	0	0	0
Lost-time work accidents	Total	13	11	13
Lost-time work accidents, frequency	Per million working hours	11,69	9,77	12,4
Working accidents without lost time	Total	12	12	19

Work accidents and working hours for Colas Danmark A/S, Malbikunarstödin Hladbær-Colas h.f and Dansk Overfladebehandling I/S are included in the calculation.

All work accidents are registered immediately after the event and calculated according to whether or not they resulted in absence. Working hours are calculated on the basis of time registration.

The accident rate is calculated as the number of lost-time accidents per million working hours.

The asphalt industry's statistics only include figures for asphalt laying and production in Denmark. Unlike Colas Danmark A/S' statistics, they do not include foreign asphalt production or gravel pit operations.

First aid courses	Unit	2018	2017	2016
Employees who completed a course	Total	99	87	94
% employees with valid fire- and first aid course	%	60	50	38

The number of participants in first aid courses is calculated on the basis of the registered course activities.

Driving safety	Unit	2018	2017	2016
Driving accidents, total	Total	56	20	24
Driving accidents with a third party	Total	26	17	21
Driving accidents with a third party, frequency	As a share of the total			
	motor vehicle fleet	0,05	0,03	0,04

All driving accidents are registered immediately after the event and calculated according to whether or not a third party was involved.

The number of motor vehicles is calculated at the end of the year.

The driving accident rate is calculated as the number of driving accidents involving a third party in relation to the number of motor vehicles.

Transport of dangerous goods	Unit	2018	2017	2016
Employees who completed a course	Total	119	0	5

The number of participants in dangerous goods courses is calculated on the basis of the registered course activities.

Sickness absences	Unit	2018	2017	2016
Hourly-paid staff	%	3,2	4,8	3,8
Hourly-paid staff (statistics for the sector)	%	3,6	3,5	3,6
Salaried employees	%	1,8	2,5	2,3
Salaried employees (statistics for the sector)	%	2,7	2,7	2,7

Sickness absences are calculated on the basis of entries in the payroll system and benchmarked in relation to the latest absence statistics for the sector published by the Confederation of Danish Industry, "Fraværsstatistik 2018", which is based on 2017 figures:

- Sickness absences, hourly-paid staff: 3.6%
- Sickness absences, salaried employees: 2.7%

Retention of employees	Unit	2018	2017	2016
Employees in jobs with light duties	Total	3	1	0

Calculated on the basis of data recorded in the payroll system.

Training and continuing training	Unit	2018	2017	2016
Employees who participated in training courses	Total	318	237	294
Duration of training courses	Days	2416	2605	2661
Employees who participated in training courses, hourly-paid staff	Total	214	165	201
Employees who participated in training courses, salaried employees	Total	104	72	93
Training course costs in relation to total wages	%	0,74	1,5	1,5
Asphalt school participants	Total	7	13	9
Road asphalt trainees as of 31 December	Total	6	11	17
Road asphalt trainees who completed their training	Total	7	9	6
Apprentices as of 31 December	Total	1	1	2
Apprentices who completed their training	Total	1	1	0
Trainees as of 31 December	Total	2	2	1
Trainees who completed their training	Total	1	1	0
Interns during the year	Total	0	3	4

Calculated on the basis of data recorded in the payroll system.

Departments in Colas Danmark A/S







Vejen frem