


# Corporate Responsibility and Sustainability Statement

# 2013



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# Corporate Responsibility and Sustainability Statement



*Sustainability and Corporate Responsibility (CR) are an integrated part of our annual report. This CR and Sustainability Statement provides further information on CR topics in addition to those contained in the Annual Report 2013 brochure, the Annual Report website and Financial Statement. It provides additional detail and depth to ensure transparency on progress and performance from 1 January to 31 December 2013. We welcome your comments and feedback, which you can send to Marjolein Demmers, Director Corporate Responsibility.*

**Erik Oostwegel**

Chair of the Executive Board

This Corporate Responsibility and Sustainability Statement forms part of the Royal HaskoningDHV 2013 Annual Report and the Annual Financial Statements.

For an overview of our offices, please visit [royalhaskoningdhv.com/offices](http://royalhaskoningdhv.com/offices). An explanation of the abbreviations used in the text can be found in the glossary at the back of this document.

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# 1. About this CR statement

## OUR CORPORATE RESPONSIBILITY APPROACH

Corporate responsibility fits with our intrinsic values, professional drive and independent role. It is part of our strategy and is strengthened by our employee ownership structure. In summary, corporate responsibility means to build our company with the following qualities and ambitions:

- Working with passion to enhance society together
- Taking professional leadership in sustainability and innovation
- Engaging in continuous dialogue with our stakeholders
- Maintaining integrity as our highest value
- Collaborating with our partners and sharing our best practices and insights
- Applying best practice in our daily operations and reducing our footprint
- 'Giving back' to local communities with our school programme and Green Fund

Our ambitions are described in the CR policy statement and CR Charter, and in the Sustainability Agendas of our businesses and corporate groups. A summary of 2013 achievements can be found in the Annual Report 2013 brochure page 20-23.

## CR AND OUR VISION ON SUSTAINABILITY

Key to our vision is the promise of 'enhancing society together'. Our ambition is to achieve fact based and recognised leadership in sustainable development and innovation in our markets. This is where we have the largest impact, where we can apply our expertise to influence decision making, and make a difference for sustainable development in our value chain. We achieve this by applying our latest knowledge and experience in client assignments to address our client's needs today while taking future needs and developments into account where possible. We regard these future needs and developments from the perspective of four global challenges that form the wider context of our work:

- Urban challenge
- Water challenge
- Transport challenge
- Industrial challenge

Figure 1; Summary of CR charter



Taking this wider perspective provides us with inspiration to be ambitious and innovative. We defined the four challenges in consultation with business managers and experts. They are chosen to match the scope of our work, while also reflecting the bigger challenges and needs that lay behind our client's request. External references we used are the global challenges for sustainability (WBCSD) and other global assessments (UN, Rio Conference).

These challenges have the objective to inspire and unite us, and lead us towards a position where we can create a positive impact in collaboration with our internal and external stakeholders. Examples can be found in the Annual Report 2013 brochure page 36-43.

*Table 1; Four challenges*

Four challenges	Current services	Potential for new solutions/ transitions
<b>Urban challenge</b>	We provide a range of services that enhance cities, in terms of urban planning and infrastructure (roads, rail, water), mobility plans, energy, sustainable buildings, environmental quality, etc.	Globally, urban areas are growing and threatened due to urbanization, climate change, risk of shortages (food, energy, supplies, etc). On the other hand, cities offer huge potential for creativity, social change and the development of new solutions with low impact, e.g. smart cities, slow traffic, circular systems, etc.
<b>Water challenge</b>	We provide innovative solutions for water management, flood protection, land reclamation, drinking water and water treatment.	Water issues will increase. Society will need more forward thinking answers. Water issues will become even more vital and strategic, and placed in a broader scope (spatial perspective, food, and supply chain perspective).
<b>Transport challenge</b>	We provide the plans, designs and project management for infrastructure and transport solutions, incl. ports, airports, and railway stations	Demand for infrastructure in developing countries is high. At the same time, the transport sector will be forced into a global transition; from energy and technology perspective and from a social-economical perspective. New system solutions will occur (ICT, 3D-printing, etc.)
<b>Industry challenge</b>	We provide consultancy and engineering to industry on environmental, social and technical developments.	Industry is facing many challenges (energy, resources, social impact), but also has the opportunity to change the game. Concepts as zero emissions, circle economy, foot printing etc. will help in the transition.

## THE VALUE CHAIN

Our role in the value chain is illustrated in Figure 2. As described above, we have based our CR approach on the best opportunities to create a positive impact within this value chain and within society at large.

Our main impact is downstream. With the products and services we provide, we shape our clients' activities, often with long lasting and tangible results.

Our clients are government bodies, large companies in a variety of sectors, small and medium enterprises and not-for-profit organisations. We frequently work together with partners. These are other expert organisations that operate in engineering and/or consultancy that provide additional expertise required for a project. Through our services, we also play a role in the knowledge community and in the public debate.

The most direct impact we have on the environment and society is through our operations. This includes the use of offices, our business travel and the employment we provide. Upstream in the value chain our impact is less significant and our influence is limited to the selection of and interaction with our direct suppliers. These are the organisations that provide us with goods and services to carry out our engineering and consultancy work. They are office related (e.g. energy, catering, maintenance), transport related (e.g. public transport, lease cars), product related (e.g. ICT equipment) and professional services (e.g. accountants and auditors).

We interact with all parties in this value chain – upstream and downstream – through our stakeholder dialogue, sustainable procurement policy, client engagement and business partnerships and initiatives.

Figure 2; Value chain summary

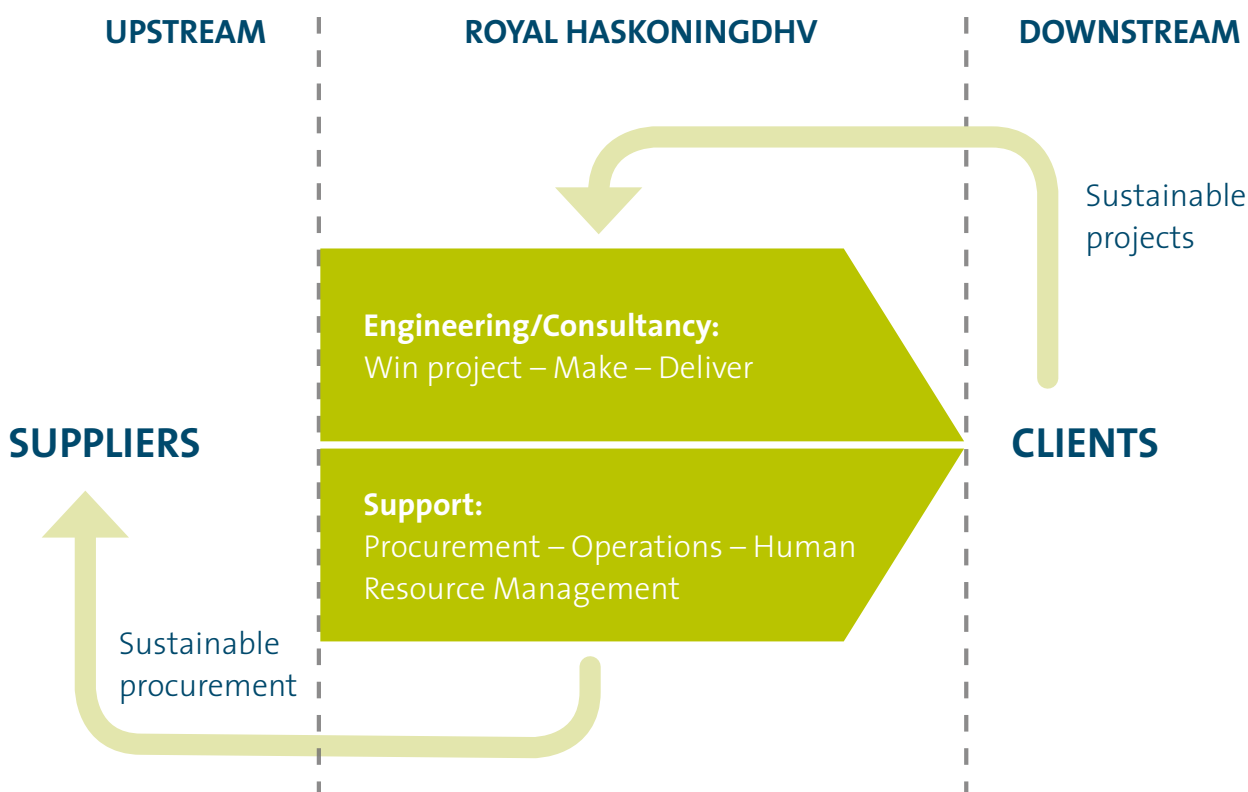


Table 2; Material topics

Influenced by:	1. Projects & Services	2. Operations	3. Local engagement
<b>Sustainability:</b>			
<b>Planet</b>	<ul style="list-style-type: none"> <li>Climate change (mitigation and adaptation)</li> <li>Environmental impact</li> <li>Ecosystems/ biodiversity</li> <li>Energy</li> <li>Resources</li> <li>Water</li> </ul>	<ul style="list-style-type: none"> <li>Climate change (mitigation)</li> <li>Resources (paper, water, supplies, waste)</li> </ul>	<ul style="list-style-type: none"> <li>Climate change</li> <li>Environmental risks</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>Challenges of society (achieving sustainable solutions)</li> <li>Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Employability</li> <li>Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Social return</li> <li>Community development</li> <li>Capacity building</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>Integrity</li> <li>Quality</li> <li>Knowledge sharing &amp; development</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Integrity</li> <li>Sustainable procurement</li> <li>Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Knowledge transfer</li> </ul>
<b>Included in this report in:</b>	<ul style="list-style-type: none"> <li>Enhancing society together &amp; four challenges</li> <li>Sustainability in projects</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable operations</li> </ul>	<ul style="list-style-type: none"> <li>Giving back</li> <li>Green Fund</li> </ul>

(\* Change compared to 2012: Direct biodiversity impact of our operations is considered relevant to our employees and part of our activities. However, it is not material in terms of impact).

## MATERIAL ISSUES

Following on our vision, value chain and the validation of potential issues, table 2 outlines the material issues for our company related to planet, society and economy from the perspective of our services, our operations and our local engagement. The selection of these issues is based on continuous interaction with, and analysis of stakeholders' perspectives; risks and opportunity assessments level of impact and influence; and trends and developments in society. The selection has been reviewed by environmental and sustainability experts who work in our company. As described above, the most important for the company is our contribution to innovation and sustainability in our projects and services. In our operations we focus on CO<sub>2</sub> reduction.

The relative importance of the identified material subjects for our stakeholders varies;

- Generally, our stakeholders recognise and agree with the subjects above, and with our focus on products and services and CO<sub>2</sub>-footprint reduction.
- Stakeholders in traditional engineering markets focus highly on integrity, the balance of price and quality, and proven expertise (trusting on global knowledge sharing and development)
- Several stakeholders value our contribution to CO<sub>2</sub>-reduction highly (e.g. the Dutch CO<sub>2</sub> – performance ladder certificate or our CO<sub>2</sub> footprint is requested by RWS, ProRail, and several other companies and organisations)
- Several stakeholders value Social Return highly (e.g. Dutch government, municipalities and provinces)
- In many non-European regions, social value, capacity building and knowledge transfer is highly valued (e.g. BBBEE in South Africa)
- Stakeholders with leading positions in sustainability (NGO's, Multinationals) appreciate our contribution to the grand challenges and sustainable innovations.



## **CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORTING**

Our vision on reporting is to give a transparent and representative overview of our activities in line with best practices in the market and functional to our type of company – i.e. a professional services consultancy. Through reporting we aim to reach clients, employees and partners to engage in our ambitions and to give feedback for improvement. To make this information inviting and accessible to read, we present our Annual Report 2013 as a brochure, a website and as this detailed CR and Sustainability Statement.

The track record of Royal HaskoningDHV includes Global CR-reporting since 2006, based on the international GRI framework. Various forms of reporting have been applied since.

In the Netherlands the Dutch Ministry of Economic Affairs evaluates the transparency of CR reports and integrated annual reports in the Transparency Benchmark. In 2013, Royal HaskoningDHV was ranked at the higher end of the 260 participants and was the highest placed engineering consultancy (at 54 in the rankings) with our 2012 CR supplement. This supplement was released in June 2013. Its delay was due to our merger and re-structure of the organisation and procedures.

For 2013, the general, financial and CR report of Royal HaskoningDHV is integrated.

### **REPORTING STANDARDS AND TRENDS**

This CR and Sustainability Statement is based on international standards and guidelines, including the guidelines of the Global Reporting Initiative (GRI) G3.1. In our self assessment against the GRI framework, we concluded that the reporting level is consistent with level A. The CR and Sustainability Statement is not part of the external assurance.

We continuously follow external trends to determine issues most relevant for our company and those where we can make a positive contribution to society at large. Our source of information is the experience we develop in projects,

external dialogues and interaction in memberships. Important references for this report are the ambitions, priorities and principles that we endorse and apply. These are related to UN Global Compact, Ethic Intelligence, the business principles of the 'Groene Zaak', WBCSD, OECD Guidelines for Multinational Enterprises and the CO<sub>2</sub> Performance Ladder (Dutch scheme).

We report to the UN Global Compact annually through a 'Communication of Progress'. This report is based on the 10 principles and has been granted the 'active' level (see our Communication on Progress on [www.unglobalcompact.org](http://www.unglobalcompact.org)).

The core principles in the areas of human rights, labour, environment and integrity are incorporated in our Global Code of Business Principles and integrity management system. In South Africa we engage in Black Empowerment initiatives and comply with the requirements of the BBBEE framework.

### **SCOPE OF CR AND SUSTAINABILITY REPORTING**

The scope of the CR and sustainability achievements of Royal HaskoningDHV includes all the activities and majority-owned legal entities that are part of Royal HaskoningDHV B.V. This is in line with the scope of the Financial Statements. For more information see the 2013 Financial Statements. This report does not include joint ventures and subcontractors.

The selected key performance indicators for staff relate to our own staff and exclude freelance staff or staff hired through temporary staffing agencies. We report environmental Key Performance Indicators (KPIs) on our permanent office locations and deviations are made explicit in the report. This report aims to give a representative impression of all our activities and performance in 2013.

### **DATA COMPLETENESS AND COMPARABILITY**

The quantified information has been compiled with a team of managers worldwide, and reviewed by internal experts locally and centrally. For some ambitions, the KPI is currently not measurable. I.e. information on waste collection is not always provided by the supplier in the countries that we have offices in. Data definitions are equal to the 2012 reported CR supplement.

## REPORTING PROCESS FOR THIS CR & SUSTAINABILITY STATEMENT

This statement is based on reported information from corporate groups, market sectors, countries and specific functions, during and at the end of 2013. Progress is partly measured with KPIs and partly described qualitatively. As the Netherlands, South Africa and the UK are the top three countries in size and turnover, they are given more emphasis in the report.

## CR AND SUSTAINABILITY DATA DEFINITIONS AND SCOPE

Methodology of data collection is defined for each item in our report, supporting management to monitor progress and plans against targets. Information in this report is based on the following sources of information:

### Company:

- Financial data: See Financial statement
- Integrity: IMS (Integrity Management System) reports and Speak up line report
- Stakeholders: Staff feedback, client feedback, client satisfaction survey, country reports

### Operations:

- Environmental KPIs: Global CR-data reports
- Operational Carbon footprint calculation: based on standard Defra and IEA conversion factors
- Health and Safety data: QHSE report
- People data: HR report
- Sustainable procurement: P&FM (Procurement and Facility management) report, ICT report
- Projects & services: Business input (sustainability managers) and M&C(Marketing and Communication)-archive
- Market and thought leadership: Business management (sustainability managers) and M&C-archive
- Sustainability in projects: e-Value report and Business report
- Sustainability & Innovation: Business report (management teams/sustainability managers)
- Knowledge development: Business report (management teams/ sustainability managers)

### Giving Back:

- Methodology of CR giving back data collection: Country Management reports
- Definitions of giving back data: Social activities (hours, cost and description of activity)
- Green Fund: Executive Board admissions

## CR AND INTEGRITY GOVERNANCE

Steering and control of the company, including on the material issues of Royal HaskoningDHV, are described in our 'Governance' information section and our Financial Statement on our Annual Report 2013 website. The Authority Matrix specifies the roles and responsibilities of all levels and departments in the organisation for all standard processes and decision making. The CR and Integrity governance are further explained below.

### CR governance

CR is the responsibility of the Executive Board, and steered by one of its members, namely Henry Rowe in 2013 and Piet Besselink in 2014. The strategic relevance is discussed with the Supervisory Board. See Annual Report 2013 brochure page 13. To enhance and develop our CR performance, a CR position at corporate level manages implementation and development and reports to the Executive Board.

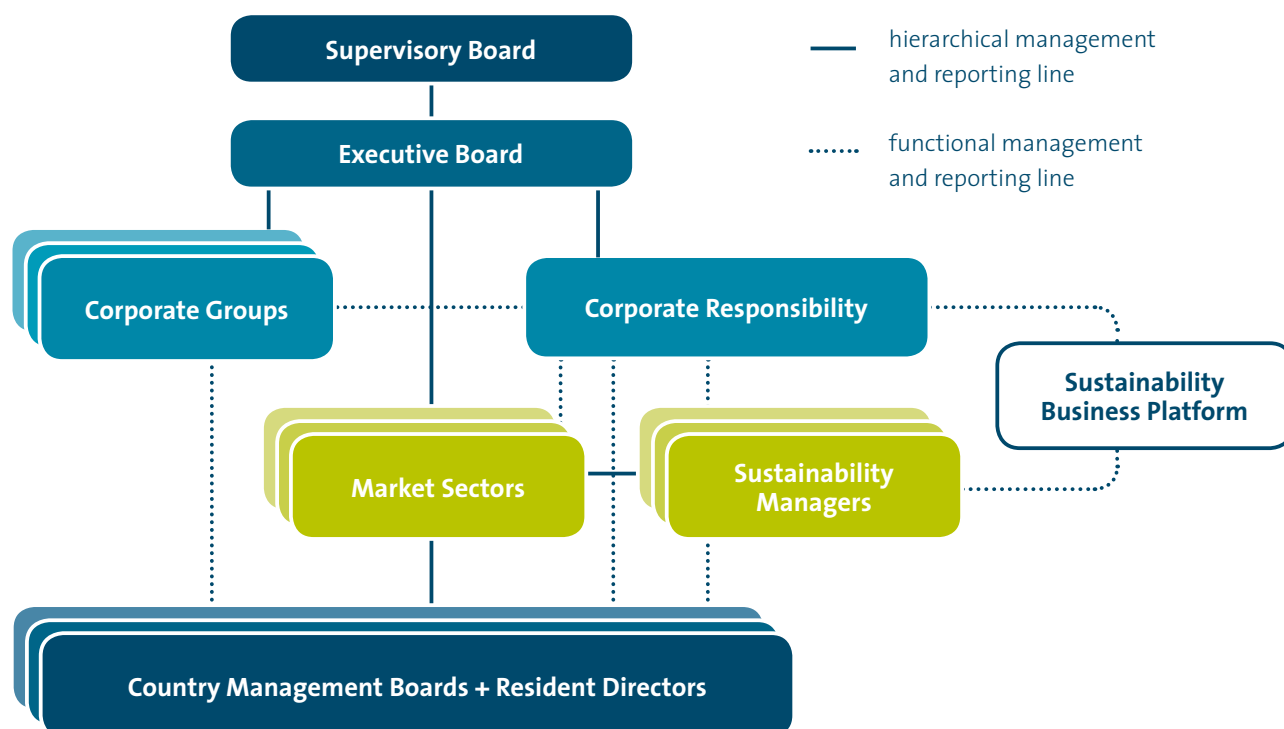
The CR policy, CR Charter, and key ambitions for the development of the company were defined by the Executive Board at the beginning of 2013. The ambitions have been translated by the businesses and by the corporate groups to address their specific contribution. The result is a sustainability agenda which is part of their annual plan.

Royal HaskoningDHV is organised in international businesses and corporate groups. These agendas therefore have a global scope. In each market sector the agenda is coordinated by a sustainability manager. Progress on the sustainability agendas of the sectors and lessons learned are shared in the Sustainability Business Platform which met six times during the year. The responsible Executive Board member is informed and participated in this platform.

For local engagement, the Country Management Boards and Resident Directors take responsibility for a local sustainability agenda which is also based on the CR Charter.

Twice a year progress and topics for development are added to the Executive Council agenda. The Council is made up of the Executive Board and Business Line Directors. These items also appear regularly on the meeting agenda of the Corporate Group Directors. Operational sustainability issues and progress are on the agenda of the monthly Operational Excellence meeting.

Figure 3; CR governance structure



## INTEGRITY & COMPLIANCE GOVERNANCE

Integrity is a key value and our commitment to zero tolerance for non-compliance therefore starts with the Executive Board. The management of our compliance is supervised by the chairman of the Executive Board, supported by the Group Compliance Officer (GCO), and it is a core responsibility of all directors, managers and staff.

Integrity at a local level is managed by the Resident Director and Country Management Board (CMB). This is supported by Local Compliance Officers for the countries where we have established offices. They raise awareness through campaigns, training and meetings, and they support local staff.

The policies, standards, business principles, and guidelines are available to all staff. A printed copy of the global code of business principles is distributed to all staff. All other materials are available on our global Intranet. The GCO has a direct reporting line to the Supervisory Board. Local Compliance Officers report quarterly on issues to the Group Compliance Officer.

We operate in a sector that is considered high risk (Transparency International) and in countries that are considered risk countries (Transparency International's

Corruption Perceptions Index). Integrity is included in our Quality and Risk Management procedures, which are part of our corporate management system. The Risk Assessment Board (RAB) is the ultimate platform that makes decisions on our engagement in large projects and those that are considered a risk. This represents projects that are greater than 2 million euro, and all projects in specified countries. The RAB consists of the Executive Board and the Corporate Director Legal Affairs. The RAB is supported by the risk management department. Internal auditing and reporting is the standard practice to monitor compliance.

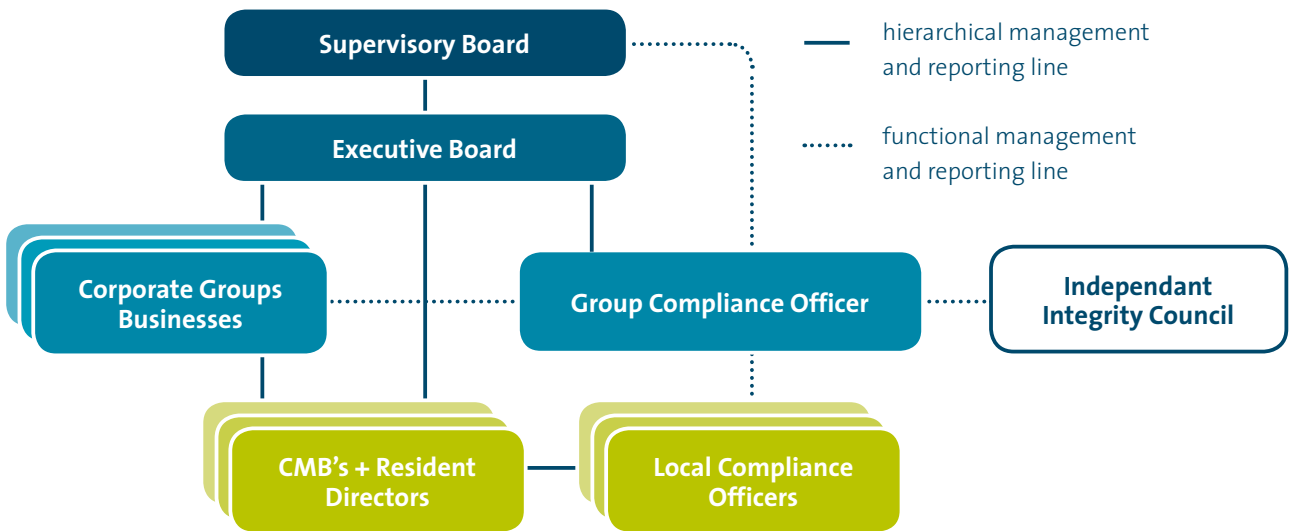
We have incorporated an integrity management system that covers the global company:

- Global Code of Business Principles
- Code of Business Principles for partners and suppliers
- Local Compliance Officers
- Integrity Council
- Procedures and Guidelines on gifts, suppliers, concerns and issues (e.g. controversial topics and projects)
- Speak up line (whistle blower)
- Dilemmas and cases (reference book)
- Modules in company training programmes

Non-compliance can result in dismissal and prosecution.

We support the principles and standards of the UN Global Compact, OECD and ILO and adopt them as our guiding principles. The Group Compliance Officer is in charge of implementation, alignment, learning and development throughout the company. This ensures integrity retains its position as a central attribute and value of our organisation.

Figure 4; Integrity governance structure



## 2. Stakeholder dialogue in 2013

During 2013 we engaged in stakeholder dialogue through our memberships in national and international sector organisations and platforms, and with direct client interaction, interviews, surveys, round tables, client events, employee feedback and meetings with local and international NGOs and government agencies.

Although stakeholder dialogue is typically an integral part of our work, it is also on the CR agenda to explicitly achieve continuous feedback for improvement.

Stakeholders have been identified as groups relevant to our supply chain, business environment and our core international activities. We will remain watchful as these groups may alter as the world around us changes. We will adapt as deemed appropriate.

We recognise three main focal points for influence:

- Strategic corporate level: The Executive Board top management team reflects on client feedback and developments (reports on key accounts) and trends in society in their monthly meetings. This results in specific input for the strategic update (medium term), and the planning process (for the next year). Market sectors manage relationships with key accounts and strategic stakeholders that relate to their sector.
- Operational level: Our supporting groups and businesses benefit from specific dialogue with their relevant stakeholders to continuously fine-tune their focus and assess the effectiveness of their actions.
- Project level: Stakeholder input is a key factor in the delivery of a successful project result. A broad range of input is sought by project teams wherever feasible. Stakeholder involvement at project level is part of our professional services and our generic e-Value tool.

As most of our impact on society is delivered through our upstream activities, this also reflects our stakeholder interaction.

### CLIENT DIALOGUE AND FEEDBACK

Our main vehicles for stakeholder dialogue are our high level meetings with companies and governments in which we highlight the potential of new technology (e.g. Nereda water technology, or Nature driven design) and more sustainable concepts (e.g. Circular Economy). We focus on understanding current and future client needs in order to recognise opportunities for clients.

In 2013, client needs and developments were scanned for our 25 top corporate key accounts. These were discussed in top management meetings. These accounts are large public and private organisations.

In addition, client meetings with Executive Board members have been organised all over the world by our Resident Directors. For example, the Executive Board spoke with public and private clients in India, the Netherlands, Russia, the United Kingdom and South Africa.

In the feedback we received it is clear that first and foremost clients focus on the delivery of our products and services. Quality, Integrity and professional project management is crucial. With our standardised project evaluations, we are able to monitor client satisfaction, and to define learning points monthly. These are translated into improvement actions and plans by local staff, and globally by the corporate group Operational Excellence (including Quality management, ISO 9001).

Secondly, our top accounts are increasingly explicit in their sustainability issues and objectives. Further dialogue often shows that most of our clients have ambitions and concerns that are related to sustainability and to expected changes in the future. This varies from social-economic issues (local need for higher skills, capacity building) to ecological issues (impact of climate change and transitions in energy and resource management).

Even when clients have not requested our support on these issues in their project requirements, they appreciate that we are looking into options that will support them in dealing with these issues. This can result in a direct benefit, (e.g. low carbon footprint of a design, implications of a circular economy, or implications of climate change), or indirectly, such as having a positive impact with our local offices (our educational initiatives). Taking into account this demand gives us the opportunity to broaden our service offering, to include cleaner measures and more sustainable solutions. This strengthens our strategy of '*enhancing society together*'.

#### OUR APPROACH TO STAKEHOLDER DIALOGUE:

- The Board, CR director and business and resident directors select their key external stakeholders and maintain an open dialogue with them. The dialogue takes place through client interviews, inspirational events and round tables. In addition, this is supported by quantitative and qualitative research by our M&C department where possible.
- The Procurement & Facility Management Department interacts with upstream stakeholders through an open dialogue with our suppliers and through our sustainable procurement policy, which is compliant with relevant international standards (e.g. UN Global Compact). We participate in a 'green deal' with partners and the Dutch government on 'circular procurement' (see Operations).
- Human Resources (HR) and Internal Communications organise the dialogue with our internal stakeholders, through staff surveys, polls and round table dialogue sessions. In addition, HR talks regularly to Universities and other suppliers and partners in the labour market to understand developments in supply and demand for technical staff, and to give input to the curriculum, e.g. we are a partner of the Delft University (member of the Steering Committee support campaign Civil Engineering).
- Our experts and business managers are in continuous contact and interaction with our stakeholders. They participate in public and professional debates that relate to our markets, by writing opinion pieces, technical articles, speaking at events and to the media, and taking various other initiatives for conferences and events. This is considered part of our professional role.

#### *Examples of dialogues and events this year:*

- The Executive Board and directors engaged in many professional platforms. Examples are the participation in the annual CEO meeting of The 'Groene Zaak', in AcTI, Academy of Technology and Innovation (chairing the Dutch Innovation Conference), the annual FIDIC conference (presenting a key note on Integrity), the Board of NL Ingenieurs and SANEC, the Dutch Trade Board and the export team of the Dutch Water Top Sector. The Executive Board also participated in the round table for Talent to the Top, a Dutch initiative to support diversity.
  - CR reflected on the strategy and activities of Royal HaskoningDHV with the director of Sustainability in Rotterdam, the director of World Wild Life Fund and Natuur Monumenten. In these meetings we spoke about the role Royal HaskoningDHV has in topics that are important in their perspective, and how the company should move forward to meet expectations.
- Feedback we received indicates that Royal HaskoningDHV is appreciated as a large international engineering firm with top expertise and motivated staff. Examples of more specific feedback are;
- In the meeting with WWF, we addressed our shared interests in hydropower, river management, and water foot printing. We discussed the opportunity to export the Dutch expertise in water management and the importance of resilience to maintain vital eco systems. Although our business models give us a different position in influencing decision making, still we can benefit from dialogue and exchange of knowledge at a strategic level.
  - In our meeting with Rotterdam, we recognised that we are considered to be a valuable partner, which requires trust and co-creation, while we are also involved in business negotiations around formal assignments. Understanding each other's views helps to find the right balance in the relationship.

In 2013, several stakeholder events have been organised. Two main events have been the following;

- We held an exclusive dinner event in the evening of the National Sustainability Conference in the Netherlands for 25 key clients. Karl-Hendrik Robèrt, founder of the 'The Natural Step' (TNS) strategic framework for sustainable development, was keynote speaker at the conference. He presented his approach and experiences. A discussion followed on how Mr Robèrt's framework and learnings apply to our organisations and challenges. According to feedback received, the event was highly valued and considered to be inspirational and helpful. It has led to clients taking further steps in making their sustainability strategy more explicit and structured.
- Royal HaskoningDHV initiated stakeholder dialogue in Johannesburg between 10 South African and 10 Dutch leaders in industry and the public sector. Attendees included past CEO Bertrand van Ee and Nyami Mandindi, our director South East Africa. The event was called the Mwangaza Dialogue, Mwangaza means 'enlightenment' in Swahili. The group deliberated over the theme of Sustainable Urbanisation in an informal setting. We thoroughly explored the urbanisation challenge to define how our companies can play a positive role in this complex development. The dialogue took place at the Maboneng Precinct in Johannesburg, the first inner city rejuvenation project initiated by a private developer – Jonathan Liebman. Maboneng means 'place of light'. The full day event led to hot debate, with all delegates confirming how useful the dialogue format was in enabling discussion on such a complex topic. The debates and breakaway sessions were facilitated by Mr Peter Willis, Director of the Cambridge Programme of Sustainability Leadership and Professor Edgar Pieterse from the University of Cape Town. Also, the supervisory board was engaged in dialogue with staff members. See Annual Report 2013 brochure page 13.

## CLIENT SATISFACTION

We carry out projects evaluations and surveys to measure and evaluate client satisfaction. The surveys have delivered the following outcomes:

- In 2013 Royal HaskoningDHV carried out 1246 client satisfaction surveys (40% more than in 2012). Worldwide 58% of the surveys we sent were completed. The average rating was 7.95 on a scale of 10 (7.8 in 2012). Of all respondents, 93% were satisfied (score 7) or very satisfied (7 or higher), especially with regard to reliability, knowledge and experience (96% in 2012). Further conclusions from these responses are drawn on market sector level, and translated into lessons learned/ actions for improvement.
- On our question 'Is sustainability applicable for this project?', 48% answered that they did not consider sustainability to be applicable (70% in 2012). Of the clients that answered this question affirmatively, 87% were satisfied or very satisfied with the extent to which sustainability aspects were covered (98% in 2012). This shows that whenever sustainability is applicable, Royal HaskoningDHV provides appropriate mitigations and ideas. We expect that the decline in satisfaction is probably a result of the growth in recognition of the relevance of sustainability, and the learning curve we are experiencing in addressing the issues to the full satisfaction of the client globally.
- Our aim is that all our clients recognise sustainability as an integrated part of each project. Our goal is to see an increase in the number of projects where sustainability is considered applicable by the client. Of course, we also aim for a high score on satisfaction related to our advice and solutions.

## DIALOGUE WITH SUPPLIERS

In 2013 we introduced Business Principles for partners and suppliers. This is now included in our procurement procedure as a condition for suppliers to comply with. We also joined a market initiative to work with suppliers on 'circular procurement' (Green Deal with partners and the Dutch government). In general, the response of suppliers to our procurement approach is positive. In our approach we do not subscribe in detail what evidence of sustainability suppliers need to present (specific certificates, product labels or memberships), but we do ask them to provide proof of their efforts in sustainability as it fits to their size and sector. This leads to dialogue that clarifies our demand, and helps us in the selection of a supplier that suits our business and strategy best, while also avoiding ineffective bureaucracy.



## DIALOGUE WITH STAFF

Dialogue with our staff was carried out by the chair of the Executive Board in his tour around countries and offices early in 2013. Staff were invited to join a meeting or lunchtime session to share ideas on the merger and the strategy of the new company. Personal contact was much appreciated. The Executive Board roadshow that followed aimed to engage staff in dialogue. Most feedback about the merger and new strategy was positive. Staff response to our ambition of enhancing society varied from very supportive to positive. Concerns that were raised were mostly related to jobs (the Netherlands), reputation (working in controversial projects and countries), and collaboration across countries, disciplines and market sectors. This is being addressed by our cross company knowledge management system and new guideline for controversial projects. No global employee surveys were carried out in 2013. A local survey was carried out in South Africa.

## STAKEHOLDER DIALOGUE – PLANS FOR 2014

Based on our evaluation of stakeholder interaction in 2013, the following key points are taken into account for further development:

### ■ Stakeholder dialogue frequency, quality and reporting:

Internationally, the approach of stakeholder dialogue is still relatively new within our company. We will further explain and evolve our structured stakeholder dialogue. Stakeholder dialogue targets will be part of the objectives and 'toolkit' of account management and general and local management. We will provide more support and coordination in 2014.

We will develop client satisfaction feedback and insights further in 2014 with the roll out of our management system. This online system will enable us to continue and expand our monitoring of client satisfaction systematically and include clients' perception of our added value in relation to sustainability.

### ■ Delivery of sustainable solutions in projects:

Clients more often recognise the relevance of sustainability in their projects. We continue to encourage our staff to discuss and highlight sustainable elements and opportunities in the project they are delivering. This requires training and knowledge sharing, which requires a local approach. The Resident Director will be more involved by CR.

Through the work of our sustainability managers and with internal communication (presenting showcases and facilitating knowledge management) the awareness and quality of the sustainable improvements we can offer to clients will improve. Also, the global awareness of sustainability into projects will be raised through the role out of ISO 14001.

### ■ Leadership and development:

As a new company, we have demonstrated leadership and contributed in fields related to sustainable development and innovation. We will continue with our intention for leadership around the four challenges (led by our Marketing & Communications department (M&C) and our Technical Committee). We need to improve how we communicate with clients and other stakeholders about our initiatives and best practices, as many stakeholders are not yet aware of this.

### ■ Concerns around controversial projects:

Internal and external feedback (mostly from the media) shows that our stakeholders are raising questions about our involvement in controversial projects. We therefore started a process on these matters in 2013, and will continue to expand the dialogue internally, and with members of the UN Global Compact.



### 3. Integrity and Compliance – performance in 2013

The integrity management system (IMS) has been implemented further across the organisation. The IMS is based on the zero tolerance statement of the Executive Board, our principles, personal responsibility, procedures and guidelines. The scope of integrity stretches from compliance to anti-bribery and fraud legislation and global standards, to business ethics from an economic, social and environmental perspective.

Our global Performance and Appraisal system includes performance on our core values (BrITE), including Integrity. This is discussed with all staff individually twice a year. The governance model was fully implemented, as is described in 'Integrity governance'. We published and distributed our Global Code of Business Principles to emphasise its importance. Also, the Business Principles for partners and suppliers has been developed and published. Both documents are available on our website.

In addition, the Speak up line was re-confirmed. This offers staff and external parties the option to report directly and anonymously protecting whistle blowers worldwide and in their local language. The speak up line is operated by an independent organisation and communicated on our website and intranet.

To improve transparency on the collaboration with agents and sponsors, an inventory was carried out to create a corporate register, including contracts and agreements. It was concluded that the use of agents has decreased significantly. A procedure and standard contract for agents was defined and is now the standard for new or renewed agreements. We also re-established and updated our travel security policy and procedures, risk procedures and country policy.

During 2013, top management and experts further developed a shared understanding around high profile and controversial projects. The topic was adopted by the Executive Board and explored at a global top management meeting.

Based on this exploration, a first version of the guideline for controversial projects was developed and made available to staff. In 2014, the guideline will be advanced and further communicated and applied to controversial projects. The objective is internal alignment and clarity on the choices we make and the reasoning behind them.

We discussed our approach to controversial projects with the Ethics department of the Delft University (during 2012 and 2013) and with the Dutch representative of the UN Global Compact (2013) and evaluated further steps in sharing dilemmas with other UNGC members. This is on our agenda for 2014. We appreciate that controversy will always be part of our work in our role as an independent expert at the forefront of new developments. We will raise staff awareness and make our viewpoints more explicit (see some examples under 'dilemmas') and include more triggers for extra attention in risk management and project management procedures.

#### AUDITS

Internal audits have been carried out to monitor compliance to the IMS. This showed that further communication, training and the need to raise awareness is required in 2014 to continuously safeguard compliance. An e-learning module has been developed for all staff to follow. The roll out was delayed to allow for a more powerful release to be rolled out in 2014, together with the introduction of 'Moodle', our e-learning and training platform.

The Ethic Intelligence Certificate for DHV was continued in 2013, based on an audit carried out in November 2012. As the certificate now covers Royal HaskoningDHV, an additional external audit is scheduled for 2014 to examine the full scope of the certificate.

As our work methods comply with World Bank standards, we provide insight on our progress and development by means of these audits, and by communicating the results of self-assessments of integrity in our projects.

#### INCIDENTS

Several incidents of violations and non-compliances were reported by our Compliance Officers during the year. Most issues were minor concerns that have been evaluated, and appropriate measures have been taken for correction and prevention. Four fraud incidents were reported. These resulted in disciplinary sanctions, dismissal and potential prosecution of the offence (Poland and South Africa). Two cases are finalised, and two cases are pending further police investigation. Internal processes have subsequently been strengthened to avoid a recurrence of these offences. All four could be categorised as a form of unethical declarations or theft from the company.

## DILEMMAS

We encountered and resolved several issues and dilemmas during the past year. Some examples are;

### 1. Terminated project

We decided to terminate the contract for the Kidron wastewater treatment plant project. The project was in the early stages of the preliminary design phase. In the course of the project, and after due consultation with various stakeholders, the company came to understand that future involvement in the project could be in violation of international law.

### 2. Country policy

In our type of business, project opportunities are recognised all over the world. However, in countries in which we do not have experience and a solid base, bidding for these projects may create additional risks from many perspectives, such as staff security, contractual and financial risks and integrity, etc.

To address this issue, we try to focus our activities in certain countries or regions. In 2012 we introduced a global Country Policy. This policy is applicable to the whole company and specifies countries where we are established, where we have a permanent presence and countries where management must give their approval before work can be carried out under specific conditions.

Finally, there are also a number of countries where in principle we do not want to be active. This can be for reasons such as political instability, staff security and/or other business risks. The Country policy (list) is dynamic and updated regularly. It does not distinguish countries for ethical or integrity reasons because this is not necessarily related to a specific country.

Ethical and integrity aspects are identified at an early stage of our involvement in projects when we appreciate the project concept and objective, the parties involved, the type of client and financier. Our professional staff and managers are trained in these aspects and act according to our Global Code of Business Principles and our Integrity Management System. They are bound to conduct all our activities in a lawful, ethical, safe and socially responsible manner. We have zero tolerance for non-compliance with our integrity code.

### 3. Equal career opportunities

In the appointment procedure of top positions in our company we discussed the option for positions to be open to all employees or restricted to those selected by the Executive Board. Based on external and internal references and experience, we chose to use a closed process in the merger process, as the advantaged outweighed the downside. For the future, this will be reviewed.

As advantages of a closed process we considered the following:

- We have an MD review procedure as a basis for succession planning. This should be the pool of employees to select from.
- If anyone may apply for the job, we must disappoint and possibly de-motivate a number of employees.
- It is hard to define solid and concrete selection criteria.
- It is efficient because we do not have to carry out many interviews.

Advantages of an open process would be:

- We may overlook possible candidates (not included in list of successors).
- We are a transparent company, so anyone may apply and will receive a fair opportunity.
- It demonstrates to all staff that anyone may reach the top.
- It helps individuals define their future potential.
- It helps management identify ambitious talents.
- It demonstrates that all staff, irrespective of the country they work in are given opportunities.
- If being in the succession pool is a condition to progress in the company, the pressure on being in this pool will increase.

### 4. In our daily practice we are highly aware of potential dilemmas of integrity. One type of dilemma is how to avoid 'Conflict of interest'. One example involves the following issue:

A client asked us to bid in a tender that was prepared with a Royal HaskoningDHV team. This would mean that we would work on both sides of a tender procedure. Normal procedure is to discuss this openly, chose a side and withdraw if necessary. We suggested withdrawing from the tendering preparation, but the client asked us to find a different solution. To avoid conflict of interest, a strict Chinese wall solution was suggested and applied. This was accepted by the client and other bidding parties.

5. We declined a range of project opportunities (40 very large projects out of 100) at an early stage in our risk assessment procedures. Also, the Risk Assessment Board (RAB) has decided against engagement in several projects, even though the projects themselves were interesting, feasible and valuable to the company. The main reasons against involvement were economic, political and integrity risks in the country, and limited local experience within the project team to mitigate risks and to deal with complex circumstances and ensuring staff security.

#### 6. High profile and Controversial projects

We made steps forward in our reflection on high profile and controversial projects by creating a procedure, a process to define our viewpoint transparently and create awareness with a document for communication and training. In the process, we include an assessment of stakeholder perspectives and reflection with internal and external experts.

The dilemma was how to find a solid ground for our position. To develop this further, we decided to engage in UNGC network and to learn from peers (multinationals) and experts within UN Global Compact and OECD. We have started to apply the guideline on running projects, and we are preparing for a global roll out.

In the definition of controversial, it is included that different viewpoints are taken in society, and not one side has the ultimate right answer. It is not about right or wrong in principle, it depends on many factors in a specific situation. However, controversial perspectives in the public debate tend to polarise, while solutions often require a more nuanced view and thorough analysis.

#### Examples of these are:

1. Serving military clients with infrastructure projects; Supporting 'war industry' or enhancing 'peace' keeping?
2. Nuclear plants; Should we phase-out nuclear energy as soon as possible? Or do we need it in the transition to a low-carbon society?
3. Hydro power; Seizure of homeland of indigenous people, harming complex water systems and natural habitats? Or improving quality of life providing energy and managing irrigation?
4. Projects in countries with (semi) dictatorial regimes; supporting unethical regimes and offending Human Rights– or providing basic infrastructure to help social and economic development on the path to democracy?
5. Shale gas; 'It's fossil and unsafe, so we should not start with this' or 'it has many benefits compared to alternative fuels (coal, Russian gas) and it can be extracted safely'.

We provide a method to consider the perspectives that are taken in society, to define our role (independent, objective and aiming to enhance society and decision making), and decide if, and how we bid in a responsible and justified manner, while mitigating the remaining risks. Of course, the boundaries are set by our country policy, legislation, and compliance to our global code of business principles.

#### **SUMMARY OF ACHIEVEMENTS AGAINST OUR PLANS FOR 2013**

The integrity system is an integrated continuation of the systems used by DHV and Royal Haskoning in the past. These systems have been combined to create a new set of policies, procedures, guidelines and tools. In 2013 we focussed on the formulation and communication of our Global Code of Business Principles, the Code for Partners & Suppliers, the Speak up line, and the development of training modules and e-learning. Quarterly reports have been created based on the input of Local Compliance Officers and several issues were reported and dealt with. In 2014, focus will be on communication, training and reinforcement.

The dialogue on controversy and issues was carried out around five tangible examples as listed above. The Executive Council discussed these cases and a guideline was developed with a team of staff. This will be taken further for application and integration within Risk Management.

#### **INTEGRITY & COMPLIANCE – PLAN FOR 2014**

The Integrity management system (IMS) will continue to be reinforced during 2014 under the guidance of the chair of the Executive Board, the Group Compliance Officer, the Local Compliance Officers and the International Integrity Council. This will be supported by internal communication, awareness sessions, e-learning, integrated training modules, and reference guides.

We will further communicate and apply the guideline for controversial projects, and develop the integration of the integrity management system with our risk management and country policies and procedures.

## 4. Sustainability in projects

Our key contribution to support sustainable development is through our projects and initiatives, creating value for clients and society while managing our business continuity. Our goal is to increase our contribution to society by making our projects more sustainable, and by winning and initiating more projects and concepts that have a positive impact on sustainable development (in respect to the four challenges).

As we have limited means to measure our position in absolute terms, we are looking at:

- Client feedback (e.g. client satisfaction and stakeholder dialogue)
- Use of e-Value in projects (project tool)
- Winning leading projects; and getting awards for leading projects
- Innovation agenda (contribution to four challenges)
- Evidence of leadership (contribution to four challenges)

In 2013, our business worked on market specific sustainability agendas to integrate sustainability into project work, and to develop leadership and initiatives in innovation and business development. In these agendas each business line has defined their ambitions and focus.

### E-VALUE IMPLEMENTATION

With our e-Value tool we provide support to staff to scan opportunities for sustainable value creation in ecological, social and economic sense. The tool has been made available to our staff with access to our main financial system (~70%). We decided to promote and support the use of the tool in 2014 – by providing train-the-trainer sessions and showing examples. We regard the implementation as a long term process, as many changes in project management have already been rolled out, and we aim to emphasise the added value instead of the obligation. First train-the-trainer sessions have been offered in November and December.

For the four challenges, we published ~40 showcases of sustainability in projects to provide examples to staff for reference and learning.

### CO<sub>2</sub> REDUCTION IN PROJECTS

In the Netherlands, Royal HaskoningDHV is certified for the “CO<sub>2</sub> prestatie ladder” at the level 5 (this is the highest level in the CO<sub>2</sub> performance scheme). In 2013, we started to implement the new and sectors specific requirements. This means that our focus in the supply chain will shift from suppliers to clients; engineers and consultants will collaborate with clients to develop opportunities for CO<sub>2</sub> reduction in design projects.

### KNOWLEDGE MANAGEMENT

We built a global knowledge management system on our intranet platform. This enables cross company groups to connect, share expertise and references. Besides this platform, knowledge management is also supported on other parts of the intranet platform (news, showcases, etc.) and through our global knowledge broker network. In addition, Royal HaskoningDHV has a group of Leading Professionals. These are top experts who connect globally to develop our leadership, innovation and knowledge sharing.

In each business line, the Manager Sustainability has created a team of colleagues across the organisation that collaborate and share knowledge in sustainability. Supported by the Knowledge Management facilities, they collected show cases, build cross business expert teams, developed business opportunities and provided internal training sessions in the various offices in which they are located. Across business lines the Managers Sustainability exchanged knowledge and informed each other on new developments and insights. Examples of expertise that is actively promoted and leveraged across the company is circular economy, life cycle design and planning, sustainable urban development, renewable energy, stakeholder engagement, ecosystem services and innovative water technology. Especially the developments in circular economy have been remarkable in 2013.

### LEADERSHIP AND COLLABORATION IN SUSTAINABILITY

One of themes for leadership and innovation which was selected as focus area within Royal HaskoningDHV is the concept ‘Circular Economy’. In 2013, many initiatives for circular economy turned into successful projects and business opportunities. These include the concept of Take Back Chemicals (Tabachem), sustainable textile and clothes (with Dutch aWEARness), and Recover-E (an innovative service for ICT equipment with SiSo). We hosted a seminar during the National Sustainability Conference in Rotterdam (NL) to share the details of how CE is applied in practice.

To speed up learning and selling of the concept across our markets, the Executive Board initiated a steering group and a taskforce for Circular Economy. The Board and top management bought a circular business suits with a special Royal HaskoningDHV print on the lining to demonstrate their belief in the concept.

Royal HaskoningDHV is one of the partners in EcoProFabrics. This is a pilot project within the European Commission's Eco Innovation programme. It is a first step to significantly reduce the environmental impact of textile production, by upscaling the production, distribution and exploitation of 'Returnity© work wear': an innovative 100% recyclable polyester-based fabric. Within this project, launching customers get a chance to test and evaluate the quality and performance of this revolutionary product. This project is a collaboration between the European Commission, Royal HaskoningDHV, EcoChain Technologies, Bukk Fashion, Backhausen, Van Schoot Pompcentrum and Dutch aWEARness.

In 2013 we also joined 'Circle Economy', a Dutch platform of local and multinational companies that aim to implement and promote Circular Economy. We took a leading role in the BOOSTcamp, a 3-day innovation event in which breakthroughs in developments were achieved. The partnership created knowledge exchange between the partners (e.g. Royal FrieslandCampina, DSM, Interface, Philips), and led to an innovative programme based on our Water Technology expertise.

In 2013 Royal HaskoningDHV and CKC Seminars organised the National Sustainability Conference for the 14th time, together with many partners from the private and public sector. The theme was 'big challenges, radical changes'. The conference was held in Rotterdam WTC and more than 500 people participated. The public enjoyed prominent speakers such as Karl Hendrik Robèrt about strategy for sustainable development. Next year the 15th conference focuses on 'Change the game with technology'. See [www.sustainability-congres.nl](http://www.sustainability-congres.nl) for more information.

We continued our Dutch partnership with 'De Groene Zaak' (Dutch Sustainable Business Association, the local department of WBCSD). With 'De Groene Zaak' and Circle Economy, we actively developed and promoted Circular Economy to the Dutch government, and highlighted the value of the 'new economy' by bringing sustainable solutions into practice.

We took part in the launch of Clean Tech Delta. This partnership aims to enhance business opportunities and realise clean tech test cases in the region of Rotterdam. This has international relevance and potential for industry, urban and transport needs. The region Rotterdam-Delft-Drechtsteden should be a world leader in the field of applied clean tech innovations by 2020. This should create 20,000 additional jobs and reduce 20% in CO<sub>2</sub> emissions. The members of the cooperative Clean Tech Delta announced this ambition on 5 November during the first official meeting at the floating Pavilion in Rotterdam. As a partner, we organised and facilitated this successful event together with the members of the Programme Office Clean Tech Delta.

Also in 2013 we actively continued our partnership in 'DuurzaamGebouwd' (Sustainable buildings). We gave lectures on circular economy and provided workshops in various events.

The membership of MVO Nederland and Leaders for Nature ended on 31 December. After a long period of collaboration, we decided to increase our focus on the platforms that are closer to our business and in which we have a more active participation.

We support the Rotterdam Sustainability Initiative (RSI). This foundation sponsors the academic chair Cradle to Cradle (C2C) for innovation and quality at Rotterdam School of Management Erasmus University.

The book that Royal HaskoningDHV experts wrote on Sustainable businesses was translated in English in 2013: *Managing the Transition to a Sustainable Enterprise: Lessons from Frontrunner companies*. It has now been published by global publisher Routledge which means the book is now available to an international audience. The book was written and researched by Royal HaskoningDHV consultants Rob van Tilburg and Mara Francken, in collaboration with Rob van Tulder and Andrea da Rosa of the Partnerships Resource Centre of RSM Erasmus University Rotterdam. It was first published in Dutch in 2012, initiated by the Foundation for Management Studies (SMS). In combining practice and theory, the book provides a management perspective on the 'business case' for sustainability.

Royal HaskoningDHV professionals engage actively in the public debate. For publications see our company website. For awards see the Annual Report 2013 website and the Annual Report 2013 brochure page 16-17.

For our overview of main sponsorships and membership in 2013, see the appendices at the end of this document.

## **INNOVATION MANAGEMENT**

Our innovation achievements for 2013 are presented on the Annual Report 2013 website and in the Annual Report 2013 brochure page 20.

## **LEADERSHIP AND SUSTAINABILITY IN PROJECTS – PLANS FOR 2014**

The development of sustainability in projects will continue to include the following:

- Build portfolio of added value in the four challenges. This will be done through the focus and leadership of the Market directors, Technical Directors, Sustainability managers and M&C advisers who steer our activities to contribute to these challenges (events, innovation agenda's, communication).
- Develop knowledge sharing and cross-selling across the businesses through our knowledge management system.
- Connect with stakeholders (dialogues and partnerships, round tables) – with support of a global coordinator.
- Increase use of e-Value (campaign).
- Increase staff awareness of opportunities and added value for the client and society (promote show cases, e-Value and other tools).

### **ACHIEVEMENT AGAINST OUR PLANS FOR 2013**

- We built connections across businesses with knowledge management, through showcases, the exchange of best practices in the Sustainability Business Platform and including sustainability in the innovation agenda of the TD platform.
- We connect with stakeholders to align our services to current and future needs, and to explore opportunities for integrated sustainable solutions: Examples: Circular economy, Urbanisation).
- We released the e-Value tool and trained market sector staff. In NL we implemented the new CO<sub>2</sub> certificate requirements.
- We raised staff awareness through showcases and communicating best practices.



## 5. Sustainability in operations

Our objective in our operations is to reduce our footprint while increasing international collaboration and presence.

### HUMAN RESOURCES

Royal HaskoningDHV is a people to people company. In our CR approach towards staff, we focus on employability, staff involvement, sustainable behaviour and diversity as key factors. We also aim to contribute to social needs in the societies in which we participate.

*Table 3; Average workforce and turnover*

Number of staff * ROYAL HASKONINGDHV Worldwide	
2012 (31-12 = ultimo)	6,925 **
Starters 2013	896
Leavers 2013	1269
2013 (31-12 = ultimo)	6,552
Average workforce	6,739

\* Employees with a (temporary or permanent) contract with the company (an entity of) Royal HaskoningDHV. This excludes agency workers and trainees (internships/graduates).

\*\* In the report 2012 we reported 6,905 for staff end 2012 – this figure had a different scope, based on consolidated financials. From now on, we will use data from our HR-database.

\*\*\* In the Annual Report 2013 Brochure page 15 workforce data is presented. This is based on consolidated financials.

### EMPLOYABILITY

In addition to launching the new global Performance and Development System in 2013, HRM developed a comprehensive and transparent set of global career paths. These will be rolled out in 2014. These paths not only support local career progression, but also enhance staff exchange and work on transnational projects.

Global training programmes for accelerating development of young talent, middle management and finance were launched. In addition to skill enhancement, these are designed to build a global network and work on strategic company improvement projects. The programmes include attention to sustainability, integrity and travel security. We have developed an e-learning platform to increase people's learning opportunities internationally and to decrease travel for training. Sustainability and integrity are among the first modules to be launched.

In our Global training programmes in 2013, we enrolled 25 managers in the Management Development Programme (MDP), 20 international employees in an Accelerated Development Programme (ADP). In The Netherlands, 15 Dutch high potentials joined the Talent Development Programme (TDP) and 44 joined the Young Professional Programme.

Participants in our global training programmes, Accelerated Development and Management Development, have been giving input to the new Strategy 2018, and are working on strategic projects. One group developed the Green Fund that has already been implemented (CO2 reduction Fund for communities).

Further, we have organised global training sessions and programmes on project management, Finance, our global management system (including QHSE procedures), corporate values (BrITE), and change management.

Personal training and staff development is planned annually, based on the performance appraisal and development needs which are defined in meetings with line managers (Performance and Development System). Many development needs are addressed with on-the-job training, and internal expert sessions/ knowledge sharing lunches.

### STAFF ENGAGEMENT

In our largest and most established operations, where 74% of our staff are based, employee input has been formalised, as well as having various forms of informal interaction. Workers councils in the Netherlands and the UK are reviewing and advising on changes in the organisation. These are both related to the merger and the restructuring of our business and processes. South Africa conducted the survey and is now working with the various offices on a path forward. In other locations, such as India and Indonesia, interface takes place through regular gatherings and discussions in the line. For changes in key HRM processes, we have worked with focus groups representing different parts of the organisation.

Our Executive Board members made a concerted effort to visit our various offices and countries throughout the year to talk to people about the merger and strategy.

The business and some Corporate Groups have been conducting change management sessions to help identify areas where focus is needed to help people accept change.



## CONTINUOUS IMPROVEMENT ORGANISATION AUDIT

In South Africa a pilot audit has been carried out on the following items:

1. Human dignity, trust, integrity and respect
2. Equal opportunity and diversity
3. Effective leadership and focus
4. Communication and information sharing
5. People development
6. Performance, reward and recognition
7. Work satisfaction
8. Effective policies, procedures and best practices
9. Continuous improvement and change
10. Empowerment, accountability and entrepreneurship

The purpose of the audit was to determine the current status of the organisation in terms of 10 dimensions. These are essential features or elements of a successful world-class organisation and therefore ensures both people and leadership practices are integrated with performance outputs. This will determine the status of the organisation in terms of our BrITE values and to form an informed base from which to plan areas for improvement and celebrate success.

We received 510 responses (out of 970) representing 52.6%. This excellent result demonstrates willingness to participate and desire for change. All employees received feedback at the end of last year. Continuous Improvement Facilitators are receiving training in order to take the improvement initiatives forward.

The HRM function now has a solid reporting line to the Corporate Group Director of HRM so that we can keep in touch with people issues world-wide, share best practices and consistently roll-out new processes.

## DIVERSITY

We monitor diversity in the company because we believe a diverse workforce enhances creativity, innovation and flexibility.

### International diversity

Our top managers, the members of the Executive Council, are a reflection of our major centres of operations. 25% are South African, 25% are British and 50% are Dutch. The next two management levels include a variety of nationalities. It is our policy to develop local management. As an example, there are 28 Resident Directors who are assigned to represent the company's interests and ambitions in more than 30 countries. 50% have the local nationality.

### Gender diversity

In the Executive Council, 30% of positions are held by female directors. Gender diversity within all line management world-wide 18% is female managers (50 out of 282).

- Within Business Lines 13% of managers are female (2012: 11%)
- Within Corporate Groups 42% of managers is female (2012: 32%)
- In total 18% of managers is female (2012: 15%)
- Of all Dutch managers 20% are female (2012: 17%)
- Of all English managers 15% are female (2012: 11%)
- Of all South African managers 9% is female (2012: 10%)

Overall 29% of our employees is female. In our line management training courses we target a minimum of 20% female participation. Gender diversity is a challenge in our predominantly technical sector and requires continuous attention.

Table 4; Gender diversity

	Total	NL	UK	SA
Total number of staff* (headcount, end of year)	6552	3237	561	1033
Female workforce (%)	28%	25%	31%	32%
TOTAL female in Management	17%	20%	15%	9%

\* Employees with employment contract, no employees third party (agency workers) or trainees

### Top positions

In 2013 the percentage of women in top Dutch positions (managers and professionals) increased from 8.5% to 9.3%. The target for the merged company in the Netherlands was to increase the share of women in top positions to 15% by 2015. Progress and activities in the Netherlands are reported to 'Talent to the Top' organisation. In our last report we postponed the target to 2016.

### **OPPORTUNITIES FOR YOUNG PROFESSIONALS**

In November the Young Royal HaskoningDHV platform organised its seventh International Cross Selling Day. In this event young professionals and the Executive Board get together to participate in different lectures and workshops.

The event provides many opportunities to network. Participants included colleagues from South Africa, the UK and the Netherlands, as well as from smaller operations Ghana and Nigeria.

Two young volunteers returned from VSO work in Ethiopia and Bangladesh, and one volunteer left for a new VSO assignment.

One young professional joined the Nudge Leadership Challenge where they trained in a leadership challenge for sustainability with other corporate young professionals. In December graduates were elected to participate in the Young Professional of the Year (YPY). The selected represent Royal HaskoningDHV in the national election.

### **BLACK EMPOWERMENT IN SOUTH AFRICA**

In 2013 we achieved a Level 2 certification on our Broad-Based Black Economic Empowerment (BBBEE) scorecard in South Africa. The scorecard is one of the key instruments used to enhance the economic participation of previously disadvantaged groups in society. The BBBEE involves the following components: Ownership, Management Control, Employment Equity, Skill Development, Black Procurement, Assisting Enterprise Development, Corporate Social Investment.

Black Empowerment is a legal requirement that all registered South African companies are classified and in possession of a Black Empowerment scorecard. To work for public sector clients, a minimum score of 65% is required to tender for work (a level 4 contributor). This score can be achieved by virtue of the structure of the company and key activities in which it participates. These activities ensure companies employ, involve and develop non-white and female employees and support the development of other small to medium black owned enterprises. Companies are audited annually to determine their score. In tenders for the public sector, this score forms 10% or 20% of the evaluation criteria for a submission. If a company's score is significantly lower than the score of its competitors, it results in a serious commercial disadvantage.

We achieved a Level 2 Certification in 2013. This is a milestone achievement for the company which has in recent years managed a Level 3 Certification, missing level 2 by the narrowest of margins in 2010 and 2011 respectively. Specific focus on the improvement in our enterprise development and ownership and management structure has facilitated this upward move, with us being able to again achieve a 100% score on the socio economic development component.

### **SOCIAL RETURN**

Unemployment and distance from the labour market among certain groups in society is a serious social issue. We aim to offer opportunities to people to improve their position.

- Within our facilities department in the Netherlands, we employ several people who would fit the definition of being distant from the labour market.
- At our head office in Amersfoort we have awarded our cleaning contract to a social organisation for workforce re-entrance (AMfors). This enables 15 people to get back into the labour market.
- On large projects in the Netherlands, we comply with public requirements for social return with solutions that are highly appreciated by the client (on 'social return'-requirement in tenders we are awarded a high score).
- Support to disadvantaged people is also part of the Black Empowerment programme in South Africa.

To avoid disadvantages, education is crucial. In the developing countries where we operate in, we contribute with activities surrounding educational and motivational support:

- Mentoring and thesis opportunities for 120 students.
- Saturday Schools operate from six branch office locations in South Africa. Students from disadvantaged backgrounds receive tutoring in maths and science subjects in order to gain college entry. The scheme has supported more than 800 students since it began in 2007. (for more details see 'Giving Back').
- Collaborate with NGOs on programmes that introduce career possibilities such as 'Adopt a girl' and 'Bring a girl to work' campaigns in India, UK and South Africa.
- In the Netherlands we support weekend schools and school activities of Jet-Net for technical education. We are also developing direct relationships with schools in cities where we have regional offices (Giving Back programme).

#### **CORPORATE MANAGEMENT SYSTEM (QHSE)**

Our Global Code of Business Principles include our code of conduct on Sustainability, Integrity, Quality, Health, Safety and Environment. This is also covered in the Business principles for partners and suppliers, introduced in 2013. For our clients we apply our standard Royal HaskoningDHV terms and conditions or equivalent terms such as DNRO2011 or the RVOI-2001. For suppliers and partners we apply our standard purchase conditions (available on our website). These documents explicitly specify our terms and conditions on the items above.

The Corporate management system (covering Quality Health Safety and Environment management systems) has been rolled out in the Netherlands, UK, South Africa and Indonesia, Thailand, India, Poland, Vietnam, Russia, United Arab Emirates, Bahrain, Oman, Belgium, Australia, Qatar and Mozambique.

#### **Health & Safety**

Our target for safety is zero reportable accidents, and the connection of at least 80% of our staff to the global certificate for OHSAS 18001 (Health & Safety) in 2014.

At the end of 2013, the following countries were covered: the Netherlands, United Kingdom, Indonesia, Poland and United Arab Emirates. All established countries will follow in 2014 (South Africa, Thailand, Belgium, India, Vietnam, Russia, Australia).

Royal HaskoningDHV has a corporate international travel safety and security policy in place. It includes procedures and guidelines for staff when travelling abroad and staying overseas. In the event of a major security incident involving Royal HaskoningDHV staff, the incident is managed, the situation is monitored, and relevant staff are kept informed so adequate measures can be taken to secure the safety of our staff. Our Corporate Crisis Management Team is in charge of this process.

No fatalities of staff were reported or communicated in any way in 2013. In total 101 incidents and accidents have been reported and dealt with, of which some were non-work related. Based on the quarterly reviews, it was found that a large number of incidents related to international travel.

We implemented a renewed travel safety policy covering all staff worldwide. It gives support and guidance in travel preparation, issue management and after care. Training has been provided to management and staff, and an e-learning module is developed for launch in 2014. Special attention will be given to female travel security in our training materials. In 2014 the Country Incident Management Team will be provided with guidelines and toolkits to enable them to make crisis management a truly global cooperation.

#### **Environmental Management and ISO 14001 Certification**

The global environmental target is to reduce the environmental impact of our operations. The results are further described in the following pages.

In 2013, the environmental components of our management system (ISO 14001) have been implemented in the Netherlands, United Kingdom, Indonesia, Poland and United Arab Emirates.

In 2014 other countries will follow (South Africa, Thailand, Belgium, India, Vietnam, Russia, and Australia).

The South and Eastern African business of Royal HaskoningDHV already prepared an Environmental Management Plan (EMP) which outlines all environmental aspects of concern at our various facilities. This EMP has been reviewed and accepted for use in the business. It is being used to assist ISO 14001 implementation by Facility Managers during 2014. In 2013 five environmental incidents were reported and five near misses. Issues were evaluated for improvements and lessons learned. No fines were reported.

### Quality Management System

At the end of 2013 the quality management certificate (ISO 9001) included the following countries: The Netherlands, UK, South Africa and Indonesia, Thailand, India, Poland, Vietnam, Russia, UAE, Bahrein, Oman, Belgium, Australia, Qatar, Mozambique. In 2014, the other countries will follow (Turkey, China and Brazil).

We registered and processed 61 internal and external complaints globally during the year. Clients were contacted and measures to address the complaint were taken. 117 suggestions for improvement were made. Internal complaints and suggestions were reviewed and responded to, and several improvements to the system were made. Many complaints were about practical merger problems and the functioning of the ICT system.

During the year 65 sub-contractors were been evaluated. No issues that required further action were reported.

### Audits

Implementation and compliance with the management system has been evaluated globally through internal and external audits. In total 34 external and 214 internal audits were conducted. 15 minor non-conformities were found and 33 observations were made. We made three main observations overall: The understanding of the new management system needs to be raised; risk management needs to be improved; teams should adopt the use of project plans to translate proposals into a work plan.

## IMPACT REDUCTION OF OUR OPERATIONS

### CO<sub>2</sub> footprint

Our CO<sub>2</sub> footprint is the key indicator of the impact of our activities on the environment and on climate change. The footprint covers the CO<sub>2</sub> equivalent greenhouse gas emissions directly caused by our operations, and greenhouse gas emissions that relate to energy consumption in our offices during business travel. Paper usage, waste, water and materials are also relevant, but on a smaller scale.

We developed and implemented an international CR data collection structure and reporting discipline. In 2013, the reported data covers 81% of our staff, through quarterly reports from the Netherlands, UK, South Africa, India and Poland. In 2014 more countries will be included to achieve a higher coverage. The weighted average has been applied for 2013.

For 2013, our footprint was defined as 3.40 tonnes of CO<sub>2</sub> per employee. This is an increase of 2.6% compared to 2012. In absolute terms, the CO<sub>2</sub>-emissions decreased with 2.6%.

Table 5; 2013 Footprint Royal HaskoningDHV

2013 CO <sub>2</sub> in tonnes per employee	Total	NL	SA	UK	Other
no. of staff	6552	3237	1033	561	1721
CO <sub>2</sub> emissions related to office buildings	0.92	0.67	1.81	0.52	0.98
CO <sub>2</sub> emissions from business travel by car	1.57	1.91	1.61	0.69	1.19
CO <sub>2</sub> emissions from business travel by air	0.91	1.16	0.41	0.91	0.74
	3.40	3.74	3.83	2.12	2.92

The reference year for our established reduction goals is 2012. In the external verification of the Dutch footprint 2012 more accurate data became available, that replaced the estimate based on extrapolation (from 94%). This correction increased the NL footprint with 0.0845 tonnes CO<sub>2</sub> per employee. The estimate for 2011 (the sum of DHV and Royal Haskoning before the merger) was 3.4 tonnes per employee (See the CR supplement 2012).

**Table 6; Revised 2012 CO<sub>2</sub> Footprint**

2012 CO <sub>2</sub> in tonnes per employee	Total	NL	SA	UK	Other
no. of staff	6905	3633	1108	584	1580
CO <sub>2</sub> emissions related to office buildings	1.36	1.37	2.46	0.58	0.68
CO <sub>2</sub> emissions from business travel by car	1.18	1.28	1.64	0.49	0.90
CO <sub>2</sub> emissions from business travel by air	0.77	0.95	0.58	1.05	0.38
	3.31	3.60	4.68	2.12	1.96

Our footprint definition includes CO<sub>2</sub> equivalent emissions from energy use and other sources at our established offices (excluding project offices) and energy use relating to work-related travel (excluding private travel and commuting) per employee. Employees included are all people with a labour contract with one of the entities of Royal HaskoningDHV at 31 December 2013. We used general Defra conversion factors, but for Electricity and district heating we used specific conversion factors of the International Energy Agency. We compared factors with SKAO, as we will also define a separate footprint with SKAO conversion factors for the Netherlands for our CO<sub>2</sub> performance ladder certificate. As the SKAO factors and scope differ from Defra, we chose to use Defra for comparability (same as in 2012) in our annual report.

#### **Key drivers for CO<sub>2</sub>**

Our 2013 footprint shows our office footprint decreased, while the footprint for business travel increased. The main reduction factor for offices is the Wind contract for 78% of the total electricity consumption in Holland (with certificates of origin). An important factor which effects comparability is the reduction of staff in Holland. As the main reduction in the work force took place in the fourth quarter, total CO<sub>2</sub> impact was caused by a significantly larger number of people than used in our footprint calculations (in our definition we divide by the number of staff on 31 December).

The energy consumption of our buildings varies widely across countries. This is partly due to differences in office layout, desk sharing, energy efficiency of the buildings and the CO<sub>2</sub> conversion factor of the energy that is supplied (IEA factors). Compared to 2012, energy consumption per employee in offices was reduced in the UK, SA and NL. In the Netherlands, electricity consumption decreased with 8%, in the UK with 3% and SA with 12%.

A growth in business travel (car, air) causes an increase in our CO<sub>2</sub> impact, which has almost doubled. Car travel (km) increased by 32%. Air travel (km) increased by 11%. In South Africa a decrease was reported in air travel.

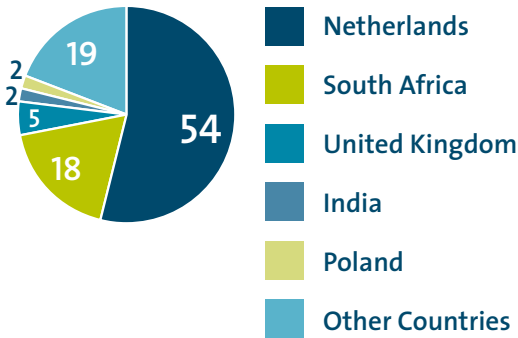
The footprint information will be used for further analysis, benchmarking and assessment of improvement measures per country and office.

Key figures

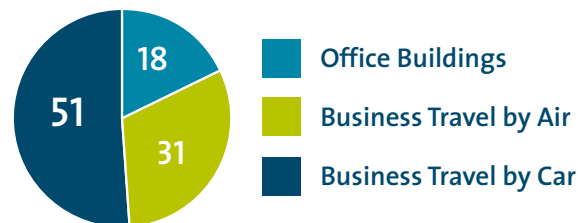
GLOBAL – CO<sub>2</sub> EMISSIONS BY RESOURCE (PERCENT)



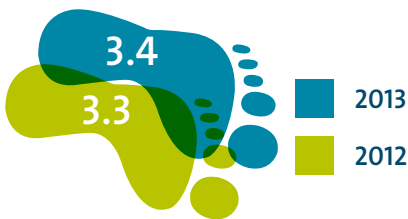
CO<sub>2</sub> EMISSIONS BY COUNTRY (PERCENT)



NL – CO<sub>2</sub> EMISSIONS BY RESOURCE (PERCENT)



CO<sub>2</sub> FOOTPRINT (TONNES PER EMPLOYEE)



SA – CO<sub>2</sub> EMISSIONS BY RESOURCE (PERCENT)



UK – CO<sub>2</sub> EMISSIONS BY RESOURCE (PERCENT)



### *The CO<sub>2</sub> performance ladder*

In the Netherlands, Royal HaskoningDHV is certified at the highest level on the CO<sub>2</sub> performance scheme (CO<sub>2</sub> prestatieladder), which is level five. This means we comply with a detailed set of criteria, defined by SKAO, a foundation initiated by public and semi-public organisations. Part of the requirements is measuring and reducing the company CO<sub>2</sub>-footprint. Just as in 2012, the footprint will be published separately, as the definition differs from international standards. The certificate guarantees extra points in tender procedures with several clients in the Netherlands (e.g. ProRail, Rijkswaterstaat).

During the year we merged DHV and Royal Haskoning certificates, had external verification of our 2012 footprint, and implemented the new sector requirements. The new criteria still includes footprinting, target setting, planning, communication, and taking sector initiatives. Our sector no longer encourages suppliers to take action to reduce greenhouse gas, but we have switched our attention to design projects. We are proposing a greenhouse gas reduction options in the design of objects.

Our sector initiative is the Nijmegen CO<sub>2</sub>-reduction initiative (NEC 2.0). In this initiative we collaborate with local business and organisations to reduce CO<sub>2</sub> emissions. Activities have included: defining reference CO<sub>2</sub> footprints for all participants (18 parties), agreement on reduction target (3% per year for three years), sharing experiences (we held four meetings), forming a digital desk to share experiences and know-how. The results for 2013 will be shared at the end of the first quarter of 2014.

### *The Green Fund: From CO<sub>2</sub> compensation to community investment*

In the past we compensated for CO<sub>2</sub> emissions by offsetting our footprint with CO<sub>2</sub> certificates. For the future, we have chosen a different approach, namely the Green Fund.

The Green Fund gives financial support to staff projects for CO<sub>2</sub> reduction in local communities. The approach has started with some example projects and will be extended internationally in 2014. A group of staff developed the idea, and the criteria and procedures to manage the fund as part of their training programme. This change was made to engage staff in climate change and inspire them to take reduction initiatives (enhancing society together).

### *Paper use*

We aim for continuous reduction in the volume of paper we use and for improvement in the environmental quality of our paper. Reduction was not achieved in 2013. Our estimate for printing and copying paper used worldwide is approximately 164 tonnes (in 2012 this was 165 tonnes). Per employee this is an increase of almost 5%. Dutch offices are supplied with FSC-certified paper. This represents more than half of our total paper consumption. Lowest annual paper use per employee is in India (16 kg). Target is not quantified, but continuous reduction is aimed for and expected, and therefore action is required.

### *Waste management*

We aim to reduce our waste footprint locally. As definitions and processes vary widely, no reliable data can be reported yet. The target is not quantified, but continuous reduction is aimed for.

### *Recycling Initiative South Africa*

Last year we reported on South Africa's recycling programme. There has been a steady drop in the amount of recycling taking place in each office since 2010. In response, a recycling campaign has been developed which will be launched in early 2014 to improve our numbers in the future.

### *Offices*

Our offices are the source of 27% of our global CO<sub>2</sub> footprint. CO<sub>2</sub> reduction is part of our worldwide sustainable office ambition. The CO<sub>2</sub> footprint of the global company will need to show the effect of the various physical improvements applied annually (target 2017 is 20% reduction versus 2012). With continuation of the current initiatives and search for improvements globally, as already shown in Holland, South Africa and UK, we expect that substantial CO<sub>2</sub> reduction is feasible and targets can be met in 2017.

Globally, we see a clear trend in the changing use of office space. We continued to combine offices in one location (e.g. Indonesia). This creates centrally located meeting points for staff (and guests) that support knowledge sharing and collaboration. The offices we need these days are more flexible and adaptable. Staff are better able to work independent from location, choosing the office or setting that is most appropriate for their tasks. Our ICT policy is to support this flexible use of working locations. As a result, we see on average a reduction in space per employee.



## INDIA – EXAMPLES OF SUSTAINABLE OFFICES IN 2013

**Noida Office Relocation:** Three legal entities existed in India within the Royal HaskoningDHV (Haskoning India, DHV India and DHV GEC). These were operating from three different offices in the New Delhi NCR region. We decided to merge the three offices to save money, use resources more efficiently and improve coordination.

The location chosen is a green building which has LEED Platinum rating in Core and Shell category by the US Green Building Council. Green Boulevard is among the top green buildings in the world to be recognised with a platinum rating. The new office was inaugurated in May 2013. Having all relevant staff under one roof makes it easy for teams to understand each other's business and enhances the quality of services we provide to our clients.

**Mumbai office relocation:** Due to inadequate seating space and staff growth, relocation to a bigger office became a priority. The aim was to improve the working environment for staff and allow scope for growth. In October, Mumbai staff relocated to a bright new office nearby. Highlights of the relocation include:

- We are able to make more use of natural light for working
- Open and transparent office interiors promote communication and improve collaboration among colleagues
- The materials used inside the office were chosen with regard to local climatic conditions for better longevity
- It is a comfortable environment with improved acoustics
- We have more interactive areas including a conference room, meeting rooms with VC facility, screens for group presentations, and Wi-Fi.

### Highlights of 2013:

In the Netherlands, offices are screened for energy efficiency and improvements are identified and implemented. In 2013 the offices in Nijmegen, Amersfoort and Eindhoven were assessed and improved. In 2014, other offices will be screened. Small-scale solutions have been installed directly: we use sensors for lighting, and added stand-by switches on coffee machines. Cooling of server rooms could be reduced. Further plans are being developed.

From 1 January we switched to 100% wind energy at our offices in Nijmegen, Steenwijk, Amersfoort, Eindhoven, Groningen, Nijmegen2, NACO The Hague, Rotterdam, Satijnbloem Rotterdam, and Hedel (according to the CO<sub>2</sub> prestatieladder definition). The contract specifies that the supplier provides guarantees of origin.

At the end of 2013, we decided to leave the current building in Nijmegen (which has a G-label energy rating) and move to a smaller building in 2014 (which has an A-label energy rating). This will reduce our office use in Nijmegen by 50%. Nearby the new location a railway station is being build. We are aiming to improve this new office to an A+ label energy rating.

We promoted our staff initiative for purchasing private solar panels through a collective. Information was provided to staff through information desks in our offices.

In the United Kingdom all energy contracts are certified renewable energy (at no additional cost to the company). In 2013 our reduced footprint in the Egham and Liverpool offices led to a reduction in energy costs. The Solihull office was decommissioned during periods it was not in use.

Also ICT is contributing to energy saving and smarter solutions that reduce the need for travel. Many video conferencing and i-Room facilities are now in place and actively used. In the Netherlands, ICT is also highly involved in the launch of Recover-E, a service in which equipment is contracted to social and sustainable reuse and recycling.



For example, in South Africa ICT implemented the following systems and solutions:

- All obsolete and irreparable hardware is disposed of using professional companies responsible for their correct disposal.
- A new external data centre opened in November with the latest green blade servers and use of virtualisation. This will allow older equipment to be decommissioned during the coming months from the Johannesburg office data centre (and the number of servers reduced).
- The data link capacity between the Johannesburg and Pretoria offices has been greatly improved, reducing the need for staff to travel between offices when working on the same project.
- The first video conference system was installed in the Johannesburg office, reducing the need for staff to travel. Another video conference system will be introduced in 2014.
- New and more efficient air-conditioning units have been installed in data centre at the Johannesburg office.

#### **Business travel**

Business travel is responsible for 73% of our CO<sub>2</sub> footprint. Almost 27% of the total footprint is caused by air travel and 46% by car travel. Compared to 2012 air kilometres increased by 11%. Car travel increased by 32%. While this will be partly due to improved data collection, we have also seen a 20% increase in car travel in the Netherlands. We expect this result relates to additional staff collaboration since the merger.

It will be difficult to meet targets for mobility in 2017. Additional plans to reduce the footprint are necessary to change the current trend. Alternatively, higher reductions will be required in our offices. Measures for CO<sub>2</sub> reduction of business travel include increase in video conferencing, strict travel policies, encouraging the use of public transport and cycling, electric company cars and e-loading facilities for staff (cars and bikes). In addition travel is reduced through supporting connectivity from any location, providing additional mobile working facilities and software.

We have the ambition to implement staff mobility budgets. It will enable better monitoring and personal incentives. This will be taken into account in the development of new labour conditions.

Some examples of activities to reduce CO<sub>2</sub> generated by business travel in 2013:

#### **Long-range plan for improving mobility:**

- Standard snow tyres for rental cars during winter period (NL).
- Switch to A-label rental cars as standard (NL).
- Introduce a car parking policy at Rotterdam and Eindhoven offices.
- Feasibility study to change driving habits to save fuel, prevent accidents and save money.
- Pilot E-bikes in Eindhoven in cooperation with Province of Brabant.
- Bicycle repair available at several offices on 10/10 sustainability day (NL).
- Closed office and relocated staff from Solihull to Birmingham which has reduced the number of cars taken to work by 70%.
- In Peterborough (UK HQ) we have a Cyclist Breakfast three times a year where cyclists get a free breakfast and an update on new cycle routes (travel plans for the city). They meet with local police who advise on theft prevention and bikes are thoroughly checked by a cycle mechanic. This has been running for five years.

#### **Less travel/ supported by better communication:**

- New global travel policy introduced in February 2013 which includes intention to reduce travel.
- Travel policy worked into procedures and guidelines.
- New VC units in Amersfoort/Zaandam.
- Feasibility study into use of biofuel.
- New VC units in Maastricht/Goes/The Hague/Amersfoort.
- Upgrade I-rooms in Groningen/Eindhoven.
- New VC units in all six UK offices (excluding serviced offices).
- Possibility to connect to NACO network from outside the office.
- Tender process begun for travel agent.
- Modified the travel policy in the United Kingdom to allow for 1st class travel on trains if it is cheaper than the cost of standard travel on the day. This increases the amount of train travel and gives a viable alternative to short-haul flights within the country.
- Closing smaller offices centralises the activities which reduces travel for staff meetings.

### SUSTAINABILITY IN OPERATIONS – SUMMARY OF ACHIEVEMENT AGAINST PLANS FOR 2013

- New systems for appraisal and training have been implemented. This includes the integration of sustainability in corporate training modules.
- We have established an international CR data collection process to increase the reliability and traceability of our environmental management information. Focus for 2013 was the Netherlands, South Africa, UK and India. Other countries will be included in 2014.
- Our office impact per employee decreased (CO<sub>2</sub> reduction of 33%), and reduction achievements are indicating further reduction.
- In the occasions we had to move due to space requirements, we moved to more sustainable offices (India).
- Our business travel impact per employee increased and measures need to be taken – mainly to reduce car travel
- We developed the Green Fund: We have moved from compensation for CO<sub>2</sub> emissions to investment (equivalent to compensation) in local reduction initiatives. This way, we can involve our staff and local communities in CO<sub>2</sub> reduction. This approach took some time to develop. It is now clearly defined, and will be rolled out in 2014.
- Paper use has not changed significantly, but per employee it increased (5%). Reduction measures are needed.
- In 2013 we aim to achieve global certificates for ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health & Safety).

### SUSTAINABLE PROCUREMENT

In procurement we adopt best practices relevant to our sector, and comply with local and international standards for responsible procurement (taking the ILO, OECD, Human Rights and the UN Global Compact principles into account). We developed and published our Code of Business Principles for Partners and Suppliers. This code will now be part of procurement procedures. This is additional to our general purchase conditions, which include terms on sustainability, integrity, health, safety and environment. If partners or suppliers infringe on internal or external codes, this is the basis for discontinuation of the contract. Depending on the type of infringement, we offer the supplier an opportunity to provide an explanation and improvement plan. This is a case by case approach, managed by the Procurement department.

Our procurement includes sustainability as a standard factor in all purchasing processes. In 2013 we introduced a registration tool for sustainability in procurement contracts. This will enable us to monitor the increase in sustainable contracts. Corporate procurement estimates that 40% of our contracts currently include sustainability, health & safety (our goal for 2015 is 80%). In 2014 we will be able to measure progress.

In 2013 Royal HaskoningDHV joined the initiative for circular procurement, together with Alliander, ABN AMRO, ASR, Dura Vermeer, Municipality of Amersfoort, Amsterdam, Den Haag, Rotterdam, Utrecht, ING, Interface, Ministry of Local and Regional Affairs for the Dutch Government, Province of Utrecht, TBI, UMC Utrecht, Verstegen Spices & Sauces and Waternet.

Circular procurement means we fulfil our demand for functionality with 'circular solutions'. An example is to 'contract' light, instead of lamps. This requires the

whole chain to collaborate to deliver the functionality (ie light). While the products (lamps), and other parts and materials can be reused safely and economically after the functionality has been delivered to the buyer. This requires innovative contracts such as take-back and re-use agreements, product-service-systems contracts (performance based) or pay-per-use contracts.

#### *Highlights of sustainable procurement in 2013:*

- Sustainability is included in general purchase conditions (March 2013)
- A new contract was signed (Arbounie) to improve the health care of employees in the Netherlands
- We started with E-invoicing

#### *Plans for 2014*

- Implement global HR standard for career paths and training in 2014
- Achieve diversity goals in the Netherlands (15% women in senior positions in 2016)
- Explore further options to increase social return (2014)
- Increase awareness of travel security and Integrity globally (2014)
- Further implement our management system (QHSE) and achieve certification globally (as detailed above).
- Achieve CO<sub>2</sub> reduction goal for offices and business travel of 4% per year (average) per employee, which corresponds to a 20% reduction by the end of 2017 (compared to 2012).
- Achieve this target with energy reduction and with increase in sustainable energy use (for heating and electricity). From 2014 onwards we expand our focus to our offices worldwide.
- Develop incentives for travel reduction.
- Develop pilot for circular procurement.
- Take measures to reduce paper use.

## 6. Community Engagement

In 2013, communication about the Royal HaskoningDHV international School programme helped to increase focus and collaboration in 'Giving Back'. The implementation will take time as 2013 was a year in which many new procedures and structures were put in place simultaneously. Nevertheless, our staff supports our goal. Already they have taken the initiative to enable, motivate, support and inspire children and students to develop their talents, to learn more about technology, and to experience the excitement of creating solutions for a better and more sustainable society.

### COMMUNITY ACTIVITIES IN 2013

In 2013 many initiatives were undertaken by our staff. These included sports activities that raise funding for charities and medical research, team building activities, and educational programmes with schools. We are proud of these activities and thank our colleagues for their efforts. Some examples are:

#### Africa

**Water education:** Our Msunduzi office created awareness of river health by connecting science and people. During work on the Mpophomeni WWTWs and the Khayelisha raw sewage outfall sewer and pumping scheme (which lies next to Mpophomeni), the urgent need to educate the community on the life cycle of water was achieved.

After thorough planning, the first educational outing was arranged in a project which aims to overcome the disconnect between science, people and the management of natural resources. We are collaborating with an international NGO (The Eco Schools Programme), relevant municipalities and the Wildlife and Environmental Society of South Africa (WESSA). It is intended to create awareness around river health through environmental education and championing a sense of ownership and responsibility for the environment.

**Banners:** Aids banners were ordered to donate to all our Saturday Schools. In November Office Managers and Administrators handed the banners to principals who displayed them at the school premises to support the schools' participation in World Aids Awareness day on 1 December.

**Saturday Schools 2013:** All Saturday Schools are still running successfully. We dedicated the month of August to visit various schools to support the administrators and to discuss and understand the challenges they are facing.

Key achievements in 2013:

- **Johannesburg:** KwaBhiki Langa 2013 Matrics achieved the highest results in Alexander Township, in Johannesburg
- **Cape Town:** Hector Peterson Awards were held on 4 October. The top three students attend our Saturday School
- **Durban:** Durban Saturday School was awarded the best performer in 2012
- **Tshwane:** The best Saturday School teacher is from Tshwane Saturday School

The Saturday Schools Programme is now housed under the DHV Education Fund and provides extra lessons to high school students in Maths, Engineering Graphic Design and Physical Sciences. In 2013 a total of 160 students, all from disadvantaged backgrounds, enrolled on the programme. Of this intake 147 completed their final exams, with 53 achieving a university entrance pass. It has been confirmed that 10 of these students are enrolled at university and 14 at colleges. Eight distinctions were achieved in mathematics, four in Engineering Graphic Design and eight in Physical Sciences.

#### Asia

**Initiatives in India:** Royal HaskoningDHV India drove a Charity campaign in which clothes, toys, shoes, books, blankets and more were gathered to donate to children affected by the flooding in North Indian state of Uttarakhand in June 2013.

Like in 2012 we assisted with the cost of education for an orphan through an 'adopt a girl' initiative run by a local NGO in New Delhi NCR region in 2013.

### Indonesia

Constant Funding to PAUD Hanifa has been in one of our CSR activity since 2010, based on our giving back initiatives. Our Fund has been used to support their operational activity. In 2013, our donation was fully allocated to build a new building in their school.

In Indonesia, we have an annual social event: blood donor. We held this event on Wednesday 2 October 2013. Having a title 'Save Life Give Blood', we want to do simple and easy thing but it is amazing – give blood and save a life. We got more than 100 donors.

Royal HaskoningDHV Indonesia held a Ramadan Iftar Programme 2013 inviting 25 orphaned children from Al-Mukhlisin Orphanage. Almost 200 employees attended the programme.

### Thailand

**Donation for children in Nakorn Phanom:** Our company joined in the project funding to purchase equipment and supplies to the needy children to Nong-Bua School in Nakorn Phanom province. This donation is used to purchase new pairs of shoes, sports dress & equipment and coolers.

### Europe

**UK:** Royal HaskoningDHV are the proud sponsor of the 'Best Borough Cycling Project' at the London Cycling Awards 2013. The new-look London Cycling Awards are a celebration of cycling in the capital and are hosted by the London Cycling Campaign, in association with the London Evening Standard newspaper. The ceremony is to take place in St Martin-in-the-Fields, Trafalgar Square, London on the 8th May.

Royal HaskoningDHV and Sustrans have teamed up to set the wheels in motion on a £10,000 bike donation scheme that will encourage school children to get into cycling. 40 bikes have been distributed amongst 4 schools in Newcastle and Northumberland, providing an opportunity for pupils to enjoy a wide range of exciting cycling activities encouraging a healthier, more active, lifestyle.

Staff at Peterborough are raising money for the BBC Children in Need appeal by wearing their Onesies, Pyjamas, and slippers to work.

**NL:** Royal HaskoningDHV supports Dutch Kika Foundation to build Europe's largest centre for children who suffer from cancer. The centre will be built in the city of Utrecht. Royal HaskoningDHV is responsible for the design of all technical systems.



Around 250 colleagues joined our Giving Back event in April 2013 at Amersfoort a care centre for people with mental disabilities. We designed a new outdoor music stage and a bridge for the garden. We dug and landscaped gardens and cleaned up the farm near the centre. We also took clients on a stroll and played football. Positive energy, new experiences and a good atmosphere were the most frequently used words in feedback from colleagues.

- In October we started an essay competition among schools in Amersfoort asking them to design the future live of 2030. More than 30 students entered their ideas
- Colleagues donate money via diverse cultural and sport activities like running Roparun, cycling Alpe d'Huizes, football for Johan Cruyff Foundation, Jazz concert
- We drove a minibus packed with more than 1600 cuddle toys and stuffed animals to the Teddybears for Help foundation in Nieuwegein, the Netherlands.
- Royal HaskoningDHV participated in the fundraising in the Netherlands for the Typhoon victims in the Philippines. Colleagues contributed by donating an annual leave day, more than 61 days have been donated.

In June, a cheque for € 5,000 was presented by NACO to the Foundation EBOO in Kenya. This foundation provides school fees, books and uniforms for underprivileged children in Kibera (Nairobi) and this amount will be used 100% for these children. Kibera is one of the largest slums in Africa where families are living in poverty and have no means to send their children to school.

#### **ACHIEVEMENT AGAINST PLANS FOR 2013**

In 2013 our focus was mostly on strengthening the transnational market sectors. Local roles were still under construction. Sharing of activities took place mainly through management platforms and our primary communication platform (Insight). For 2014, the situation is more settled, and instructions for Giving Back are providing a stronger global alignment and focus. Nevertheless we will still respect local preferences and desire of staff to support their community.

Our sponsorship policy has been focused and managed accordingly.

The Green Fund has been developed, set up and is ready for use in 2014.

#### **GIVING BACK – PLANS FOR 2014**

We will continue to increase our efforts to inspire and motivate children about sustainable development and the fascinating world of technology. We will develop programmes at the country level with schools and educational institutions in the cities and regions where we work.

We will continue to improve internal communication enabling staff to share their activities and to support collective learning in community engagement.

Start with the Green fund

## 7. Outlook 2014

### **BRINGING OUR RESPONSIBILITY TO THE NEXT LEVEL**

We started in 2012 with a vision on corporate responsibility. During 2013, we made good progress in developing and implementing that vision. We are already seeing results. But we must be realistic. It takes time to reach all staff and convey the message globally.

Hence, the focus during 2014 is on continuing to embed and implement sustainability within all our activities, operations and projects. In summary, here are a few of our ambitions for the year ahead:

We have a reputation for our ability to bring diverse interest groups together and nurture agreement in pursuit of a commonly agreed vision. We will be extending and developing opportunities to listen and engage within our organisation and externally.

We rely on every single member of staff to take responsibility for upholding our integrity and business ethics. We will be providing support to staff across our organisation through communication and training.

We are focused on leading the way in developing sustainable solutions across four key challenges: urban, water, transport and industry. We will continue to develop solutions in partnership with public and private institutions. We will build on our portfolio demonstrating the added value of sustainable solutions.

We are committed to achieve targets to reduce CO<sub>2</sub> emissions from office, travel, and energy use. Furthermore, in 2014 within our organisation, we will be developing a pilot in circular procurement.

We will continue to encourage our people to share their skills and knowledge among the wider community, and particularly in schools and colleges. In addition, we will develop programmes with educational institutions in the areas where we work to promote technology and an understanding of sustainable development.

Already we have achieved a series of impressive breakthroughs and have implemented some highly innovative sustainable solutions. The challenges are significant but we remain committed to create the best possible result for every project we undertake. In this way, working with our people, our clients, our partners, and our societies, we can build on the progress made during 2013 in enhancing society together.

# Appendices

## SPONSORSHIPS

Examples of sponsorships and memberships 2013

<i>Sponsoring or Membership</i>	<i>Information</i>	<i>Country</i>
<b>NL Ingenieurs</b>	Dutch association of consulting engineers	NL
<b>Saturday schools</b>	Education initiative in South Africa	SA
<b>TU Delft – CiTG</b>	Industry initiative for civil engineering, Delft	NL
<b>Netherlands Water Centre</b>	Dutch water sector partnership	NL
<b>VNG (Vereniging Nederlandse Gemeenten)</b>	Association of Dutch Municipalities	NL
<b>Clean Tech Delta</b>	Partnership Delft-Rotterdam-Drechtsteden for cleantech Innovations	NL
<b>Nationaal Comité Inhuldiging</b>	Festivities for the coronation of the Dutch king	NL
<b>Wetsus</b>	Top technological institute for Water Technology	NL
<b>AWVN</b>	Employers' association	NL
<b>De Groene Zaak</b>	Association of businesses for a sustainable economy and society; local department to the World Business Council for Sustainable Development (WBCSD)	NL
<b>Global Leadership Foundation</b>	Foundation for leadership and development	SA
<b>Stichting ToekomstBeeld der Techniek</b>	Association for the Future of Technology	NL
<b>Stichting VSO Nederland</b>	International development organisation for sustainable knowledge	NL
<b>Vierdaagsefeesten – Nijmegen</b>	Annual event of the City of Nijmegen	NL
<b>VNO NCW</b>	Dutch Confederation of Netherlands Industry and Employers	NL
<b>TU Delft University Fund – Best Graduates Award</b>		NL
<b>Jet-Net</b>	Collaboration of organisations to promote beta education	NL
<b>Rotterdam – North Sea Jazz festival</b>	Cultural event in the City of Rotterdam	NL
<b>RotterdamSustainability Initiative</b>	Foundation for leadership chair in sustainability- Erasmus University	NL
<b>Shipwrecked Foundation Oman</b>	Foundation for the recovery of a VOC ship near Oman	NL
<b>VU Amsterdam Partner in Business</b>	Partnership to support the Amsterdam University	NL
<b>Den Haag – Koninklijk Schouwburg Genootschap</b>	Sponsorship of the Royal theatre of The Hague	NL
<b>Leaders for Nature</b>	Platform of nature organisations (IUCN) and businesses that support the protection and restoration of biodiversity	NL
<b>Nijmeegs Energy Covenant</b>	Collaboration of organisations in Nijmegen to reduce CO <sub>2</sub> footprint	NL
<b>Duurzaam Gebouwd</b>	Association for sustainable leadership in the building sector	NL
<b>BNA</b>	Branch organisation Dutch Architects	NL
<b>Railforum</b>	Association for knowledge sharing in the rail sector	NL
<b>Betonvereniging</b>	Association to promote the responsible use of concrete	NL
<b>Project Delta Group</b>	Partnership Dutch companies and scientific institutions on Energy	NL
<b>Deltalinqs</b>	Business network for logistic and industry in Rotterdam Port	NL
<b>Dutch Cycling Embassy</b>		NL
<b>Dutch Green Building Council</b>	Association for leadership in sustainable building/construction	NL
<b>Flint</b>	Theatre of the City of Amersfoort	NL
<b>IABSE Nederland</b>	International Association for Bridge and Structural engineering	NL

<b>IPO (Inter Provinciaals Overleg)</b>	Platform of Dutch Provinces	NL
<b>NLPB / Bouwregienetwerk</b>	Branch organisation for project management and consultancy for spatial development projects	NL
<b>Sem Pringpuangkeo Foundation Scholarship</b>	Support and education for orphans of deceased aids parents	NL
<b>UN Global Compact</b>	Platform for organisations that support UNGC principles for integrity, human rights and environment	Global
<b>NCH</b>	Netherlands Centre for Trade Promotion	NL
<b>AcTi</b>	Academy of Technology and Innovation	NL
<b>Stg. Instandhouding Leerstoel Project Engineering</b>	Foundation for support to University chair in Project Engineering	NL
<b>TU Delft – Stichting leerstoel MEP</b>	Foundation for support to University chair	NL



## GLOSSARY & DEFINITIONS

<b>AcTi</b>	Academy of Technology and Innovation
<b>ADP</b>	Accelerated Development Programme
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BriTE</b>	Brightness Integrity Team spirit and Excellence
<b>CO<sub>2</sub> Prestatieladder</b>	A Dutch certificate system in the procurement process developed to recognise and reward companies that take CO <sub>2</sub> reduction seriously
<b>CO<sub>2</sub> eq</b>	Carbon dioxide equivalent
<b>CE</b>	Circular Economy
<b>CMB</b>	Country Management Board; highest management body for a country in which there are established offices
<b>CR</b>	Corporate Responsibility (equivalent to CSR)
<b>CR Charter</b>	Corporate Responsibility policy and high level plans
<b>CR policy statement</b>	Corporate Responsibility policy statement
<b>CSR</b>	Corporate Social Responsibility (equivalent to CR)
<b>DHV GEC</b>	DHV Global Engineering Center BV
<b>DNR</b>	De Nieuwe Regeling (The New Conditions)
<b>e-bike</b>	Electric powered bicycle
<b>e-Value tool</b>	Tool for proposal and project evaluation to include sustainability
<b>EMP</b>	Environmental Management Plan
<b>Executive Board</b>	Highest executive managing body consisting of the Chair, Vice Chair, Chief Financial Officer and two members
<b>Executive Council</b>	Operational management body consisting of the Executive Board and the Business Directors
<b>FIDIC</b>	The International Federation of Consulting Engineers
<b>FSC</b>	Forest Stewardship Council, an independent, non-governmental, not for profit organisation established to promote the responsible management of the world's forests
<b>GCO</b>	Group Compliance Officer
<b>GRI</b>	Global Reporting Initiative
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communication Technology
<b>IEA</b>	International Energy Agency
<b>ILO</b>	International Labour Organization
<b>IMS</b>	Integrity Management System
<b>ISO</b>	International Standardisation Organisation
<b>Integrity Council</b>	Diverse international group of eight staff members – advising the Board on Integrity.
<b>KPI</b>	Key performance indicator
<b>LEED</b>	Leadership in Energy & Environmental Design, a green building certification program
<b>M&amp;C</b>	Marketing and Communication
<b>MDP</b>	Management Development Programme
<b>MVO</b>	Dutch for Corporate Responsibility (equivalent to CSR)
<b>NGO</b>	Non-governmental organisation
<b>NL</b>	The Netherlands
<b>OECD</b>	The Organisation for Economic Co-operation and Development

<b>OHSAS</b>	Occupation Health and Safety Assessment Series
<b>P&amp;FM</b>	Procurement and Facility Management
<b>QHSE</b>	Quality Health, Safety and Environment
<b>RAB</b>	Risk Assessment Board
<b>Resident Directors</b>	Managers of the organisation within a country
<b>RVOI</b>	Regeling van de Verhouding tussen Opdrachtgever en adviserend Ingenieursbureau / client – advising engineering company conditions
<b>RWS</b>	Rijkswaterstaat; Directorate General for Public Works and Water Management, including the construction and maintenance of water ways and roads, and – importantly – flood protection and prevention
<b>SA</b>	South Africa
<b>SANEC</b>	Southern African Netherlands Chamber of Commerce
<b>SKAO</b>	Stichting Klimaatbewust Aanbesteden & Inkopen (sustainable purchasing)
<b>SMEs</b>	Small and medium sized enterprises
<b>SMK</b>	Dutch organisation which develops, manages and evaluates criteria for marks and certificates related to CR
<b>SMS</b>	Stichting Management Studies (Foundation for Management Studies)
<b>Supervisory Board</b>	Supervising body, members are external to the company
<b>Tabachem</b>	Take Back Chemicals
<b>TDP</b>	Talent Development Programme
<b>TNS</b>	The Natural Step
<b>UN</b>	United Nations
<b>UNGC /UN Global Compact principles</b>	A strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption
<b>UK</b>	United Kingdom
<b>UK HQ</b>	United Kingdom headquarters
<b>YPY</b>	Young Professional of the Year
<b>VC</b>	Video conference facility
<b>VSO</b>	VSO is the world's leading independent international development organisation that works through volunteers to fight poverty in developing countries
<b>WBCSD</b>	World Business Council on Sustainable Development
<b>WESSA</b>	Wildlife and Environmental Society of South Africa
<b>WWF</b>	World Wildlife Fund



### World-wide expertise delivered locally

Royal HaskoningDHV is an independent, international project management, engineering and consultancy service provider. Ranking globally in the top 10 of independently owned, non-listed companies and top 40 overall, the company's 6,500 staff provide services across the world from more than 100 offices in over 35 countries.

### Our connections

Innovation is a collaborative process, which is why Royal HaskoningDHV works in association with clients, project partners, universities, government agencies, NGOs and many other organisations to develop and introduce new ways of living and working to enhance society together, now and in the future.

### Memberships

Royal HaskoningDHV is a member of the recognised engineering and environmental bodies in those countries where it has a permanent office base.

Royal HaskoningDHV consultants, engineers, architects, planners, environmental and other specialists are members of their individual branch organisations in their various countries.