

# people business

culture, strategy and organisation



June 2007



**ROYAL HASKONING**

thinking in  
all dimensions

# foreword

Royal Haskoning is a dynamic company in which changes occur regularly. There are takeovers, which can result in organisational changes. The world around us is also changing rapidly. The organisation adapts to these changing circumstances. The Board of Management considers it to be part of its task to keep Royal Haskoning employees in all countries informed about its vision of the future in a world that continually sets new requirements for us to meet. Employees have stated in the satisfaction survey that they think it's important to be told about the management's vision and corporate strategy.

"People Business" reflects our vision of the company and answers frequently asked questions. This booklet does not contain astounding new insights. Its primary purpose is to present in a compact form everything that has been said and written in the recent past. We trust that the contents are not unfamiliar to you.

"People Business" helps direct our day-to-day management and it also provides frameworks here and there. The content is intended to create scope for new initiatives, which are largely determining for our future. The idea is to get all of us moving in the same direction, and not to impose constraints.

The booklet begins with our vision on running the business and it is a basis for further elaboration in the divisions, business groups and advisory groups. The second part is about our culture and core values, the way they affect our conduct and the rules we impose in regard to them.

This booklet is intended to create clarity, but it will also no doubt give rise to questions and comments. We invite you to respond ([peoplesbusiness@royalhaskoning.com](mailto:peoplesbusiness@royalhaskoning.com)); constructive criticism from the staff keeps us on our toes.

This is the second edition of "People Business". The first edition in 2004 has earned a place for itself in our company. It has made things clearer for the staff. It is given to new employees and it is read with interest by external contacts. It is used in training courses, and it moreover serves as a guide when formulating business plans. Altogether some 3000 copies have been distributed and it has been downloaded hundreds of times from our website.

Board of Management  
Jan Bout  
Leo Visser

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# definitions

## >> **Mission**

The mission describes what Royal Haskoning would like to justify its existence with.

## >> **Vision**

The vision describes how Royal Haskoning perceives the changing environment in which it operates and the future role of Royal Haskoning and its employees in this environment.

## >> **Objectives**

Objectives describe what we want to achieve and what we want to be in the context of the mission and vision.

## >> **Strategy**

The strategy describes how Royal Haskoning wants to achieve its objectives.

## >> **Goals**

Goals are translations of the strategy into realistic and measurable results for Royal Haskoning, divisions, business groups, advisory groups and employees.

## >> **Actions**

Actions are the specific activities (what, who, when, budget, quality, process) in order to achieve the goals.

## >> **Evaluation**

Evaluation means ongoing feedback about the results in order to improve the results.

## >> **Core values**

Core values are the most important yardsticks that the organisation uses in regard to itself and that make up the core of the corporate culture. Above all core values appeal to the attitude of employees and give general pointers about how employees should behave.

## >> **Standards**

Standards offer employees guidelines about how they should act in situations where black and white rules are impossible or undesirable.

## >> **Rules**

Rules state exactly what is and what is not permitted.

# introduction

During its 125 years in business Royal Haskoning has developed into a top quality organisation. We want to occupy a leading position in the market segments in which we operate in the Netherlands and beyond. One of the reasons behind our success is that we have focussed continually on the future in an ever changing world. We cannot spend too long resting on our laurels. Instead we need to think about what we want to achieve and what we want to be. We must continue to reflect on our mission, objectives, identity and corporate culture. Not for the purposes of completely renewing them every couple of years, but in order to fine tune them in response to changes around us. How are we going to do this? What are our core values?

But what is a mission? And what is a strategy? Definitions are given in the adjacent box. They are parts in a series of policy elements that charts a company's course, i.e. :

## **Mission – Vision – Objectives – Strategy – Goals – Action – Evaluation**

The mission is the basis for the vision; the vision is the basis for the objectives and so on. Mission, vision etc. can vary from one division to another, but they must be consistent with the mission, vision and objectives of Royal Haskoning as a whole. The higher the level in the organisation where the policy characteristics are formulated, the more general they will be. Unfortunately there is little that can be done about this. If, for example, the objectives for our organisation as a whole are defined in too much detail, we run the risk that the objectives of parts of the organisation are not consistent with them.

Our future is not determined solely by our objectives and the current circumstances in which our firm operates. It also depends to a significant extent on the image that we project as an organisation and how we want to come across. This means we have to ask ourselves which values we consider important in our dealings with one another and with the outside world. This is how our identity is created. There is a sequence for this too:

## **Mission – Vision – Core values – Responsibilities - Standards – Rules**

Our core values are the building blocks for our identity, our corporate culture. A consensus is needed in order to understand, accept and apply principles. A dialogue is needed to achieve a consensus. A dialogue with the organisation and one another. What characterises our organisation? What is our culture? What are our standards and values? How are we organised?

# our profile

- >> One company, one name
- >> Network of professionals
- >> Network of offices
- >> Network of partners and business contacts
- >> International
- >> Flexible and agile
- >> Independent professional position
- >> Social responsibility
- >> Divisions structured according to services provided
- >> Combination of capacity and qualities
- >> Flat organisational structure

# our profile

Royal Haskoning is one organisation with one name that delivers a comprehensive package of consultancy services to its clients. When there are takeovers and in the subsequent integration process, consideration will always be given to whether or for how long the acquired labels will be retained in connection with their position in the market.

At the same time Royal Haskoning is a network of consultants, architects, engineers, of offices and of partners and business contacts. The network of professionals enables us to offer our clients a broad range of services and integrated solutions. Our international network of offices positions us close to our clients and we can serve them as well as possible.

One organisation does not mean we are heavy-footed in our external dealings. Our organisational structure lets us respond flexibly to client wishes. We are more like an armada of small manoeuvrable ships than a supertanker.

Our independent ownership structure and the integrity of our employees permit us to adopt an independent professional position. We recognise our social responsibility as we carry out our work.

The divisional structure within our one-company concept enables us to combine our capacities and qualities as much as possible. Each division is organised according to the nature of its products. Thanks to our flat organisational structure, project management can be tailored to the type and size of the client and the projects.

The continuity of the company is priority number one for the management. We achieve this by seeking a balance between the interests of our clients, our employees, our environment and our shareholders.

# stakeholders



>> Clients

>> Employees and their families

>> Clients' employees

>> Shareholders

>> Financial market players

>> Society

>> The living environment, the environment in general

# stakeholders

Before defining our mission, vision and objectives it is important to ask ourselves who our stakeholders are. A stakeholder is a party or person with an interest in what we do or a party or person of importance to us.

Obviously our clients are among our most important stakeholders. They are interested in what we can do for them, i.e. generate added value for their business or organisation. And they are important to us because they are the vehicle for our continuity.

We need top quality and motivated staff in order to serve our clients well. Therefore our employees – and their families – are likewise very important stakeholders.

Our work is people's business and therefore demands attention for the relationship between the client's employees and our employees. Personal relationships are of inestimable significance to the success of our business.

Shareholders are also important stakeholders. In terms of ownership structure Royal Haskoning is a special company. The shares are held by a trust. There are advantages (complete independence, no tendency to short-term thinking) but there are also risks. Does this structure keep us sufficiently on our toes and can we – without pressure from the financial market – build up and maintain a sufficiently strong financial position? Can we continue to substantiate our ambitions and can we continue to maintain a sufficiently strong position in regard to the financial market (loans, financing etc.)? Financial market players are therefore also important stakeholders.

We are establishing a link between employees and the shareholder by letting employees participate in Royal Haskoning through share certificates.

Royal Haskoning is also cognizant of the relationship with the world around us - society and the living environment. We therefore focus on branding, social involvement and social responsibility. Behaving responsibly towards the environment is a significant element in this.

Our ownership structure makes us something of a family company. We are not merchandise and we do not treat the businesses we acquire as merchandise. Integrating new members into the family is an essential area of attention. The continuity of the company and also the continuity of the acquired knowledge and goodwill are significant mainsprings for our organisation.

Stakeholder management is becoming increasingly significant in the management of our business.

# mission and vision

## Mission

- >> Royal Haskoning's mission is to create solutions for issues that relate to the sustainable interaction between people and their environment.

## Vision

- >> Our vision is that in the future it will become increasingly important to continually increase the added value<sup>(1)</sup> of our services for our clients and to treat our clients' problems as our own.

<sup>1</sup>*Added value for the client includes:*

- >> *reducing turnaround times*
- >> *reducing risks*
- >> *increasing safety*
- >> *giving early warning of problems*
- >> *coming up with solutions*
- >> *cutting investment or operating costs*
- >> *improving results*
- >> *careful decision making by offering alternatives*
- >> *transparency and legitimacy*
- >> *no unpleasant surprises*

# mission and vision

## **Mission**

The social bond of the company and its employees is a source of inspiration. Our solutions place us at the centre of the community. We focus on important themes like mobility, transformation of space, climate change, safety, quality of life and design.

We deliver our services in order to earn money. The profit assures the continuity of the company so that we can continue to give socially responsible and innovative advice in the future and provide our employees with an interesting and challenging work environment and a good income.

## **Vision**

Delivering added value for our clients means that we devise a solution for the question we have been asked and that we also dig into the question behind the question. In other words we focus on the client's mission. What does our client stand for? Which tasks has he obtained or allocated to himself? What contribution can be made in order to make his mission a bigger success?

Our clients are concentrating more and more on their core activities, in other words on their mission. Activities are outsourced in order to achieve this.

We look on the issues facing our clients as new opportunities for our company. They challenge us to be innovative ourselves continually.

In a nutshell, thinking in all dimensions.

# objectives

- >> We want to be among the top players in our market segment<sup>(1)</sup>
- >> We want to guarantee our continuity through good profitability
- >> We want to be an employer of choice in our market segment
- >> We want to fine tune the one-company concept
- >> We want to improve the quality of our services on an ongoing basis

<sup>1</sup> *Our market segment is the segment in which we and our competitors operate and it is therefore the array of alternatives from which our clients can choose.*

# objectives

Being among the top players in our market segment means that we want to be one of the best consulting firms as regards services, quality (expertise, experience and value for the client), profitability and brandname. A firm that is not among the market leaders will have to face price competition and will have difficulty in surviving in the longer term. Being among the top players does not automatically mean that we want to be the biggest. The size of our firm will be largely determined by the requirements our clients set as regards scope and global presence, by developments in our market and by the desire to be the best. A small firm can perform well in a niche market with few competitors. In a multidisciplinary market, on the other hand, a minimum size is very important.

Royal Haskoning has set itself the goal of making a profit that over an extended period is better than the average of our competitors. This profit is important first and foremost for the investments that are needed in people and resources. Such investments are a prerequisite for maintaining our leading position. The profit is used to build up equity capital with which we can survive any future setbacks, finance takeovers and acquire an independent position. Good profitability moreover presents the opportunity to let the employees share in the profit.

In terms of employment, Royal Haskoning also wants to be at the top of the list of companies where employees want to work. Royal Haskoning wants to be an employer of choice. We want to create a work climate that is attractive to both newly-qualified and experienced employees. We want to provide challenging work and give talented individuals opportunities to develop. We want to do this in an inspiring and safe work environment with competitive employment conditions.

The one-company concept is a deliberate choice. We want to strengthen this concept on an ongoing basis in order to gain the maximum benefits from the advantages of this choice. Where divisions operate in the same markets, it is essential they recognize this and join forces offering clients the best possible cross-divisions services to gain optimal added value.

Collaboration between and inside the divisions is being intensified through, among other things, account management, a common infrastructure and consistency in the management of the organisation. In this way we want to be able to deploy professionals from throughout the whole company without the organisational structure being a hindrance. Ultimately this results in greater flexibility and speed.

We want to continue focussing on the quality of our services, and therefore on the way we communicate with our clients and respond to their problems and questions. We seek to achieve continuous improvement in the quality of our services. This effort is supported by our quality system, which is focussed on improvements.



>> Royal Haskoning's strategy is based on four cornerstones:

>> **Clients First!**

>> **Quality and Innovation**

>> **Standing out from our competitors**

>> **Acquisitions in order to remain among the leaders**

The success of a service provider like Royal Haskoning is determined primarily by the skill to understand clients and convince them of the added value we can mean to their organisation.

During contacts with our clients we must above all listen to their values, wishes and expectations. What will be the key issues in the years ahead? How do they want to be supported by consulting firms? How can they improve the results of their operations and what part can we play in this? Asking the right questions will generate information that will enable us to deliver top quality services.

We must then respond quickly and act proactively on the basis of the knowledge we have compiled. How can we best solve the client's problems? Can we create added value for our clients by combining expertise from different parts of the company?

We will moreover always watch out for the problems associated with an assignment, alert the client to them in good time and offer solutions. We must warn of trends and changes in the law and take a proactive approach in this regard.

We achieve top quality in the provision of services by treating our clients' problems largely as our own (problem ownership) and contributing to our clients' success.

Organisations like ours are selected primarily on the basis of quality – and evaluated on the quality of both the product and how we provide services. Besides a permanent focus on the quality of our products, we also concentrate on the quality of the services. We have to give top priority to our clients and ask about their needs rather than offer our expertise. Therefore our slogan is "Clients First". Innovation, or in other words the ongoing renewal of our knowledge and approach, is also important for enabling us to continue to stand out from the competition.

We give our leading position in our market segment substance by setting ourselves apart from our competitors. We stand out through the combination of consultants, architects and engineers we have, our international experience, our independence, our employees' high skill levels, the speed of our service, teamwork and the clustering of knowledge and references from the different divisions. We also stand out because we have been in business for over 125 years.

We need to respond quickly to trends in the market and society in order to remain among the market leaders. We need to be present where new developments are occurring and have the appropriate expertise for them in house. If we believe that it will take too long to achieve this using our own resources, we will use takeovers to achieve the desired market position more quickly.

# market selection

- >> Marketing and investments primarily in countries where we have something to add and can earn a good return:
  - >> The Netherlands, the United Kingdom and Belgium
  - >> Central and Eastern Europe
  - >> Southeast Asia
  - >> The Middle East
  
- >> Focus on investments by multinationals
  
- >> Focus on countries and markets with rapid growth or major changes (oil & gas, water, health care, PPP)
  
- >> Marketing and business development aimed at
  - >> Existing products in existing markets
  - >> Existing products in new (geographical) markets
  - >> New services/products for existing clients and market sectors
  - >> New solutions by combining existing products
  
- >> From projects to master programmes
  
- >> Account management for important clients
  
- >> Long-term relationships

# market selection

It is important for a consulting firm that operates worldwide to make conscious choices about the countries where it wants to operate with special emphasis on our core values. The important criteria for selecting countries and regions are continuity, profitability, and business-related and employee-related risks. Obviously our commercial efforts are targeted first and foremost at the three countries where we have a strong presence, i.e. the Netherlands, the United Kingdom and Belgium. The majority of our turnover is generated in these countries. We are moreover devoting effort to the new EU member states, Eastern Europe, the Middle East and Southeast Asia. These regions have so much potential that we are prepared to invest in order to increase our market share.

A substantial proportion of our foreign turnover comes from multinational companies that invest in other continents and further on in countries that show strong growth in our market segment. In some cases projects result in local project offices and/or joint ventures, which can be used as bridgeheads as soon as we decide to establish a presence there.

We are focussing on markets with rapid growth or major changes (oil & gas, water, health care) and on changing forms of collaboration in the construction world (PPP).

Selling existing products in existing market segments is a simple sales strategy, but it rarely results in growth and in future it may even lead to continuity problems. Developing new products and trying to sell them in a new market, on the other hand, is extremely difficult. Royal Haskoning has decided to focus on existing products in existing markets also on existing products in (geographically) new markets. In addition, we focus on new services and products for existing clients and in market sectors where we already have a presence. As part of this, considerable attention will be given to combining existing products to create new solutions for existing clients (cross-selling). We will also be increasingly responsive to the shift from projects to programmes and long-term collaborative relationships. This is a reaction to the trends we are seeing among our clients.

Account management is a significant stimulating factor in this regard. Royal Haskoning wants to commit to long-term relationships with its clients, while giving sufficient attention to clients for whom we can execute once-only assignments. After all, contact with any new client can develop into a long-term relationship.

# what do we not do?

- >> We do not try to acquire orders by undercutting the competition
- >> We are not a contractor
- >> We are not a project developer (no risky investments, no risky financial involvements, no substantial financial participation in public-private partnerships)
- >> We are not managers of process installations
- >> We are not a manufacturer of capital goods and we are not a trading company
- >> We do not focus on the consumer market
- >> We are not currently focussing on a substantial market position in North America, South America and Australia

# what do we not do?

We do not wish to have a position as the lowest bidder. In the top segment we strive for competitive pricing, but above all for added value for our clients.

Royal Haskoning is not looking to participate in project development or contractor activities. On the one hand we are not in that business and on the other hand the risks involved are too big for our company. Our modest equity capital does not enable us to finance major projects. However, in response to requests from clients we would consider the option to enter into a contract in which we are responsible for a partial delivery of a product, in addition to our consultancy services. However, this is only possible if the risks are limited or covered, or if there is sufficient risk premium to warrant it. We are looking into projects in which we share in the risk in a responsible way (for example result-based schemes). Here too, market demand plays a part in the considerations.

We do not seek to manage complex process installations. The aspect of risk applies here too. We are not involved in producing or trading in capital goods for the same reason.

Our focus is on business-to-business relationships and not on the consumer market. North America is such a large market that building up a substantial market position would be virtually impossible. The significant volatility of the US Dollar/Euro exchange rate involves considerable financial risk. The same applies more or less to South America and Australia. This does not mean that we will not carry out projects in these parts of the world. Taking positions in niche markets in these countries can be an interesting option for us.

# growth



>> Filling in gaps in our portfolio of services

>> Balanced organic growth

>> Takeovers (and a possible merger) aimed at combining products and supplementing competences

>> Alliances that draw on the best of the strengths of the partners

In order to maintain our position in the top part of our market segment we have to ensure that our size, organisation and geographical presence enable us to remain of the greatest possible service to our clients. We want to provide a broad, top quality range of services. We want to be able to support our clients, particularly our European clients, elsewhere in the world.

Royal Haskoning has designated integrated, multidisciplinary consulting as one of the spearheads. Gaps in the necessary package of services will be filled by taking on experts and taking over or entering into an alliance with a specialised firm.

We achieve growth and expansion of our capacity, expertise and presence by:

1. organic growth of at least 3-5% per year in a stable market with extra attention for broadening our portfolio of expertise;
2. possibly taking over smaller consultancies that strengthen our market position and/or represent a necessary addition to our range of services; it is expected that small acquisitions will be integrated into one division without significant complications;
3. gathering information about medium-sized consulting firms and investigating the added value for Royal Haskoning, the organisational implications and the financial options for acquisition.

We will also strengthen our position by forming alliances with other suppliers in our market segment and alliances with our clients.

It is important to retain the knowledge and expertise acquired as a result of takeovers. It is crucial that the enthusiasm and commitment of the employees in the companies that have been taken over is used for the further development of Royal Haskoning.

# innovation

- >> Innovative company
  
- >> Inspiring work climate that stimulates innovation
  
- >> Project-based approach
  
- >> Four innovation domains
  - >> Technological innovation
  - >> Market innovation
  - >> Organisational innovation
  - >> Transactional innovation
  
- >> Utilising the results of fundamental and applied research
  
  
- >> Collaborating with early adapters
  
  
- >> Innovation as an area of attention in internal training courses
  
- >> Communities of practice

Royal Haskoning is an innovative company. We are always on the lookout for clever, effective and quicker solutions to the problems being faced by society and our clients.

Stimulating innovation is a major spearhead in our policy. We want to have an innovative environment in the company with sufficient scope and financial capacity to work out new ideas. We manage innovation using a project-based and phased approach. Efforts are being directed towards four innovation areas<sup>1</sup>):

- >> technological innovation (new discoveries, creative technical solutions);
- >> market innovation (entering new markets, innovative services);
- >> organisational innovation (team composition diversity, one-company concept, ICT tools for sharing knowledge);
- >> transactional innovation (innovative ways of providing clients with our services, new forms of contracts).

Ideas are generated and assessed. Good ideas are then tested in a business case and a pilot project is executed. If the results are positive they are embedded in the organisation.

Significant investments in research and development are not feasible in our industry. It is virtually impossible to recover the substantial costs involved. We therefore concentrate on developing new products by applying the results of fundamental research by research organisations, such as major technical institutes, universities and small firms in a niche market.

We target business contacts who like to take the lead as far as innovation is concerned (innovators and early adapters) and clients who appreciate our innovative capability and are prepared to invest in innovative solutions in their projects.

We are studying best practices and are concentrating on expertise management, devoting particular attention to innovation, in our Potential Development, Talent Development and Management Development programmes. The use of Communities of Practice is being encouraged as part of this.

<sup>1</sup> *“Innovatieklimaat, de katalysator van innovatie in diensten” [Innovation climate, the catalyst of innovation in services] by Meindert Flikkema, Anton Cozijnsen and Marcel 't Hart, in Holland Management Review*

# the employees

- >> Employer of choice
- >> Inspiring and challenging work for everyone
- >> Offer more than a work environment
- >> Appraisal in terms of competences
- >> Training and development programmes at a high level
- >> Measuring employee satisfaction
- >> Basic remuneration in line with the market
- >> Discretionary remuneration to encourage commitment

# the employees

Royal Haskoning will, in its efforts to be an employer of choice, respond to the aspects that employees consider important, such as opportunities for development, personal appreciation and recognition.

Development of our employees is achieved by providing a varied and challenging training programme that is closely linked to everyday working practice and supports the development of competences. We amplify this aspect by assigning work that is always challenging and that makes the best possible use of individual talents. The task here is to broaden employees' professional knowledge, often technical, to incorporate market management, project management and line management. It is crucial to the staff that they are enabled to develop another role in addition to their work as experts.

Our system of appraising employees in terms of competences contributes to their development, as do coaching, mentoring and guidance on the job. The appraisal system provides options for expressing personal appreciation and recognition to employees.

We will moreover achieve the objective of being an employer of choice in a general sense by promoting common standards and values (respect, openness, team spirit and integrity). We will contribute to attaining this goal by consistently appraising the qualities and performance of employees wherever in the world they may be. Employee satisfaction surveys are regularly conducted and the results are used to introduce targeted improvements in the working conditions. Finally we routinely carry out benchmarking studies in the national labour market so that we can maintain employment conditions that are in line with the market.

We seek to have appropriate remuneration through which both the collective performance of the organisation and individual employee contributions are expressed. Remuneration consists of a basic part, which should be in line with the market, and a discretionary or variable part, which is an additional reward to stimulate the involvement of employees in the company's results.

# working as part of a team

- >> Combining talents and competences
- >> Flat organisation
- >> Project teams having responsibility for the primary process
- >> Better quality services through collaboration
- >> Professionals give Royal Haskoning its image
  
- >> Balanced team composition
  - >> Mixed social composition (men and women)
  - >> Inspiring cultural composition
  - >> Diversity in competences
  - >> Diversity in market profiles
  
- >> Solution-driven cooperation in teams

# working as part of a team

Our strength lies primarily in combining different talents and competences, irrespective of where they are in the organisation. The free flow of knowledge, skill and competences requires common values. These unite us more than bureaucratic procedures. In a flat organisation the responsibility for the primary process is given to the teams that execute projects. This also means that team members must give cooperation top priority. As a result the team result will exceed the sum of the individuals' capabilities. So good teamwork produces top quality services.

The Royal Haskoning organisation is made up of a wide range of professionals. They give our company its image. The individual contacts between our professionals and key people in client organisations tip the balance when it comes to getting new projects. This does not mean that Royal Haskoning houses individual professionals who by chance work under the same roof and use the same name when dealing with outsiders. Our professionals have the freedom they need to do their work, within an infrastructure of procedures that is necessary to assure quality for our clients.

Good and effective collaboration in project teams calls for the teams to be composed in the right way. This applies not just to project teams but to advisory groups and other organisational units as well. Diversity in teams, which means the right blend of competences and personal characteristics, is essential to the success of our company. A composition that reflects the market and society (men and women, age etc.), the right competences (experts, project managers and market managers) and the right team role types (hunters, farmers, birdwatchers and experts).

Working together also means that we want to avoid developing a blame culture. Mistakes will always be made, but if project team members have a solution-driven attitude, everyone can learn valuable lessons and benefit from any mistakes that are made.

# structure, management and leadership

- >> One-company structure
- >> Encourage cooperation
- >> Stimulate information sharing
- >> Flat organisation
- >> Seek decentralisation the primary process
- >> Reduce red tape
- >> Infrastructure designed to utilise benefits of scale
  
- >> Project driven organisation
- >> Simplify work and procedures
  
- >> Cost awareness
  
- >> Speed
  
- >> Encourage managers and have managers encourage employees to spot opportunities and problems as quickly as possible
  
- >> Characteristics of leadership:
  - >> Ambitious and result driven
  - >> Take responsibility
  - >> Foster initiative and give trust
  - >> Prioritize corporate interest over individual interest

# structure, management and leadership

Royal Haskoning's one-company structure is the portal for our clients to all parts of our organisation. The divisional structure crosses national borders and through this stimulates the best possible sharing of expertise. Separation of the legal and operational structures also facilitates the flexible deployment of professionals. This structure benefits internal accessibility and the sharing of knowledge.

We have selected a flat organisational structure and a decentralised management model for the primary process activities. Among other things this means that we opt for decentralised result and cost responsibility. The centrally managed overhead is aimed primarily at achieving benefits of scale. Employees are trusted to act freely within a centrally directed infrastructure of procedures, systems, authorisations and powers, while at the same time transparency of actions is of course requested (information requirement). Central 'control' is concerned with intervening in exceptional circumstances. We are keen to reduce red tape.

Royal Haskoning is a project-driven organisation. We therefore have to excel in project management. Management of money, time, quality, safety, organisation and information. Above all our clients do not want any unpleasant surprises.

We also have to do our work quicker. The world around us is becoming ever faster and our clients are asking the same of us. The use of modern means of communication and new working practices should enable us to deliver our products and services more rapidly.

It goes without saying that the project management systems do justice to the nature of the projects (scope, complexity, risks). There are no superfluous procedures for small projects. Rather there are targeted systems to complete complex projects successfully in the stress field between the interests of our clients and our own interest as regards profitability.

Leadership in Royal Haskoning comes from different roles - line managers, staff managers, project managers and experts. They set an example, but above all they also spur people on and are standard bearers. They disseminate our core values, are ambitious and result driven, take responsibility and facilitate good performance by their subordinates by giving them encouragement and trust. In so doing they give priority to corporate interests over the interests of their own group.

# core values as a binding element (ROTI)

## >> **Respect**

We accept others for what they are. Taking other views, qualities, people and cultures into account and through this creating synergy.

## >> **Openness**

Being open to and interested in other people's opinions. Telling others one's own views.

## >> **Team spirit**

Jointly working on the same task and achieving the same goal.  
Achieving better results by sharing knowledge and experience than by individuals working alone.

## >> **Integrity**

Being honest, reliable and independent. Being keen to avoid conflicts of interest.  
Being accountable for our actions and aware of their consequences.

### **Summarised in one sentence:**

"Starting from the idea of 'Thinking in all dimensions', we work together as individuals and as an organisation with respect and dedication in order to achieve a successful result in an open and honest way using flair and initiative".

# core values as a binding element (ROTI)

Cooperation is the most important condition for our success. Cooperation can be promoted through forms of consultation, structures, procedures and ICT facilities, but trust is much more important. Shared core values state what we think is important in our conduct and create mutual trust. Respect, openness, team spirit and integrity (ROTI) form the four cornerstones for trust and the foundations for collaboration.

We can achieve success for Royal Haskoning and our clients by working together. We do this with dedication and commitment to Royal Haskoning, our clients and society as a whole. Key words in this context are: proactive, keen and creative. We want to work on things that matter and contribute to a successful result.

A good understanding of international and cultural differences with regard to our core values promotes cooperation.

# corporate social responsibility

- >> Social dimension (people)
- >> Environmental dimension (planet)
- >> Economic dimension (profit)
- >> Social relevance of the services we provide
  
- >> Compliance with international guidelines
- >> Giving account in the annual report
  
- >> Support development projects
- >> Focus on children in disadvantaged regions
  
- >> Involve employees in social projects in their work environment

# corporate social responsibility

There is no universal definition for corporate social responsibility (CSR). However, there appears to be consensus that CSR can be broken down into social, environmental and economic dimensions, also referred to as Triple P (People, Planet and Profit).

These dimensions relate respectively to the consequences of our business activities for people inside and outside the company, to the consequences for the environment (including the living environment), and to the production and the economic effects of our services. Our performance can best be measured externally in terms of the social relevance of our consultancy work. The key issue internally is how we run the organisation. This is why a management system is being introduced in 2007 that involves all environmental aspects of the primary process (ISO 14001).

More and more companies are conducting business in accordance with international guidelines and are giving account of this in their annual reports. Royal Haskoning expressly chooses to follow suit. We want to provide information to stakeholders about the effects of our business activities. We will be investigating on the basis of dialogue with our stakeholders to what extent and how we can go about doing this.

## **Social involvement**

We want to provide systematic support to development projects by using our knowledge and time. Our focus in this regard is on socially relevant projects in countries where Royal Haskoning has a long-term presence. Among other things we facilitate education for children in disadvantaged regions.

In the Netherlands we are actively involved via Jet-Net (a technology network for young people) in the promotion of scientific and technical subjects and advanced courses among secondary school students, and in particular girls.

We seek to involve Royal Haskoning employees in social projects in their work environment. The prime factor in regard to contributions is their social benefit. It is not our primary intention to achieve any commercial or publicity goals through these activities.

# upholding our core values

- >> Respecting our core values
- >> Dilemmas and examples on Bridge
- >> Code of conduct
- >> Royal Haskoning endorses the Tabaksblat Code for corporate governance
- >> Code of integrity
- >> Whistle blower scheme
- >> Integrity committee
- >> Detailed descriptions on Bridge and Royal Haskoning website

# upholding our core values

Understanding and respecting our core values calls for much more than writing them down and distributing them. There are examples on the intranet of how the core values are applied - what do they mean in our daily work, what sort of dilemmas can they create and what do we do about it? Employees can find this dialogue on Bridge - the Royal Haskoning Intranet.

We have drawn up a code of conduct that underpins the core values. We therefore consider the code of conduct to be an essential element in the success of Royal Haskoning in the long term. We recognise that we are judged by how we act rather than how we say we act. We are therefore responsible for ensuring that we all know this code of conduct, recognise the importance of it, respect it and adhere to it.

In so doing we must take into account the fact that Royal Haskoning will (have to) intervene if our code of conduct is infringed or infringement is suspected. Disciplinary measures, which in the worst case could mean dismissal, will be taken against those who infringe the code of conduct or who instigate infringement, give approval to it or know of it but take no action.

Corporate Governance is the set of principles that define the way a company has to be managed soundly, effectively and responsibly. Royal Haskoning endorses the importance of the Tabaksblat Code: "Good corporate governance, including honest and transparent actions by the management, and its effective supervision, including accounting for the supervision exercised, are essential conditions for establishing confidence in the management and supervision by stakeholders." We consider this Code as a support to the monitoring of the integrity of our company. We recognise the importance of the debate in society about effective and sound corporate management and we are already applying a substantial part of the best practices spelt out by the Code in our operations.

Detailed descriptions of our core values, the code of conduct, the code of integrity, the whistle blower scheme, the integrity committee and how to act in regard to them are on Bridge and our website.

# helpful questions

## 10 helpful questions relating to ethical behaviour<sup>1</sup>

1. Does it conflict with our core values or professional yardsticks?
2. Is there a conflict of interests or is our independence at risk?
3. Is it legal?
4. Could it be used against you or Royal Haskoning?
5. Can others be affected by it (others in Royal Haskoning, clients etc.)?
6. Would it be embarrassing for you if others knew that you have opted for this course of action?
7. Is there an alternative that does not cause ethical problems?
8. How would it come across if the newspapers got hold of it?
9. What would a reasonable person think about it?
10. Are you comfortable with it? Do you sleep well at night?

1 Inspired by “Gedragcode” [Code of Conduct] by PriceWaterhouseCoopers

# helpful questions

We offer a number of questions and considerations to help you comply with our codes of conduct and integrity. It is important to recognise an issue, decision or subject that is dubious.

Use the 10 questions alongside to help answer the question, “Am I skating on thin ice?” Then think carefully before you do anything. Consult a colleague or someone else you trust about what you can or should do next. Ask yourself why you might not feel comfortable about something. Ask yourself what the risks are to Royal Haskoning, yourself, your colleagues and your environment. Examine possible alternatives. A decision about your course of action must be such that it will not damage Royal Haskoning or yourself.

In this booklet we have tried to explain clearly who our most important stakeholders are - our clients and employees. By our clients we do not mean anonymous companies, but above all the people who represent them. So what it comes down to in our work are personal contacts between our clients' representatives and Royal Haskoning's employees. In other words, people's business!

In our industry concern for the client, the concept of delivering service and commercial activities have traditionally been dominated by technology. Our clients usually call on us to solve a technical problem, but generally speaking they appraise us on the basis of how we have carried out our work. And by and large this appraisal is by people about people. In other words, people's business!

Royal Haskoning's strategy is aimed above all at giving our clients the priority they deserve. In other words Clients First! Personal attention for our clients, listening to them and taking care of their problems. In other words, people's business!

A strategy is intended to indicate directions and create frameworks. It is more a matter of creating clarity than imposing constraints. Clarity about where we are going, about what we do and also what we do not do. However, there is a risk here. Royal Haskoning does not want to be actively involved in project development, but if we see a once-only unique opportunity that involves manageable risks, strategic frameworks should not prevent us from seizing such an opportunity.

An enterprise has to renew itself and adapt to changing circumstances on a continuous basis. It needs entrepreneurs and pioneers for this. In some cases they will think and act outside the box, which will give reason to fine tune our frameworks from time to time.

Frameworks, systems and procedures are necessary for running a company, but at the end of the day it is the combined employees who determine the organisation's success.

People Business is a brief description of our policy. Extensive information about a range of subjects is available on Bridge, our corporate website and in the annual report.

## Reactions

Reactions to this booklet are most welcome. A special e-mail address has been set up: [peoplebusiness@royalhaskoning.com](mailto:peoplebusiness@royalhaskoning.com). Your responses can be used as input for discussions, to refine the strategy, formulate follow-up actions etc.



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