Royal HaskoningDHV
Enhancing Society Together

Annual and Sustainability Report 2022

Driving positive impact

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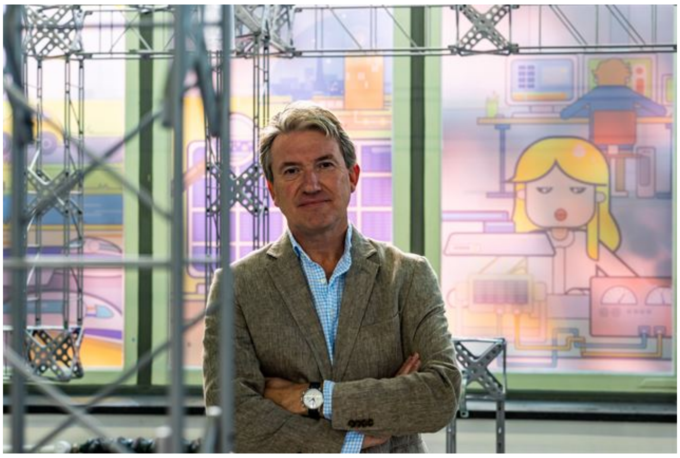
Introduction by our CEO



Welcome! It is a pleasure to introduce the 2022 Annual and Sustainability Report. This year we combined our updates in one report to bring our stakeholders information on our sustainability impact alongside financial performance.

In a challenging external environment, we managed to achieve positive change within our organisation and for society. We made good progress with our strategy. By being adaptive and quick to respond to change, we are meeting the huge need for smart, sustainable solutions. Our top-level revenue growth of 13% is an impressive achievement! It is encouraging that this growth is driven by our Global Leading Markets and the growth themes in the Netherlands identified in our Stronger25 strategy. We strengthened and extended our ability to help clients realign and futureproof their logistics activities by acquiring the supply chain specialists Districon. At the end of 2022, we launched Twinn, our new brand for digital solutions which brings together our deep domain expertise with our portfolio of software and data. The Twinn decision intelligence platform enables us to offer our software and data as a service with a configurable modular design, scalable and repeatable. Clients can seamlessly integrate our different solutions that are sold as a SaaS-license model.

While optimistic, we remain mindful of instability connected to rising inflation, the energy crisis and economic headwinds, exacerbated by the war in Ukraine. We recognise that our profitability in 2022 is lower than we expected due to rising operating costs, the continued investments in digital, and a difficult business environment in some of our markets. We are taking action to improve performance on this key metric.

Our people are our most significant asset. Our key priority is to make sure we have the right talent on board. We reacted in the countries where our colleagues were facing inflation pressures with a one-off adjustment to salaries. We continued to help everyone grow in line with their professional goals and were pleased to receive an award for our employee learning and development programmes. We regularly track well-being and engagement - which in 2022 was above benchmark, at 82%. We use the results to mould our environment to the needs of our people to continue to attract and retain top talent. In this, 2022 was a good year which saw our headcount grow. Excitement is mounting over our new Paris-Proof office in a listed building (*recognised as being of special architectural or historic importance - rijksmonument in dutch*) close to Delft University. Licenses have been approved and construction work to adapt the building has begun.

Our purpose, Enhancing Society Together, is more relevant than ever. Our people are challenging themselves and their clients, integrating sustainability and social impact in every project we work on. Our approach of incorporating sustainability as well as social impact targets into our business targets is being more and more recognised, adopted by clients and even competitors.

I strongly believe that our purpose, Enhancing Society Together is a significant factor in attracting, and retaining, our committed and high-class teams. We are now able to assess, quantify and track our positive impact in our projects. I am proud of all the wonderful projects that were submitted for our internal Enhancing Society Together award and the winning Green Volt Floating Offshore Windfarm project.

We also made progress in our own commitments: our ambitious net-zero targets were approved by the Science Based Targets initiative. The energy crisis created momentum for companies to explore how to save energy and transition to low-carbon sources. We continued to lead the way through our work on major renewable energy projects, supporting organisations in their roadmaps to net-zero, and building expertise in emerging technologies.

In the face of the challenges on many fronts, the time to explore the impossible is now. We are proud therefore that our innovations continue to be showcased in industry awards across the world. To mention just two here: In the year that our Southern Africa operations celebrated 100 years, it was a pleasure to receive an award for our work upgrading the important Sani mountain pass between South Africa and Lesotho. It not only improves drainage and resilience in the face of intense storms but helps safeguard indigenous plants and wildlife. Truly Enhancing Society Together. Another award recognised our digital innovation tool ENSIS that improves the post-consent monitoring of offshore wind developments.

I am thankful to our clients and our employees for their continued trust in our company. I am proud of our committed and creative colleagues who embody our purpose and bring it to life in all that they do. I am just as proud of the great projects and solutions we provided for our clients supporting them with their challenges in times of war, climate change, inflation and more. Above all, I'm proud of the way we did it together, with care and positive impact for society.

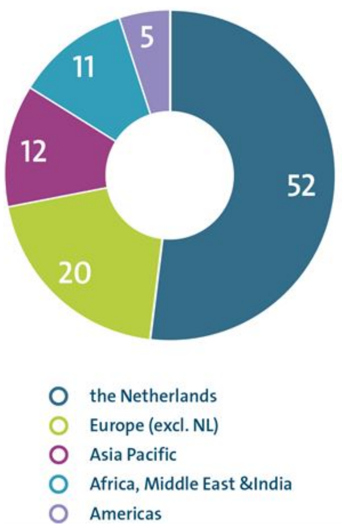
Erik Oostwegel
CEO

Key figures

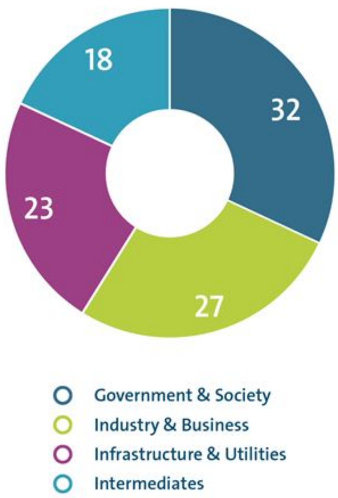
(€ millions, unless stated otherwise)

	2022	2021		
Net turnover / Operating income	**698.8**	**619.3**	**Net turnover / Operating income**	Amounts invoiced to clients (excluding VAT), including other operating income, excluding non-operational items
Added value	**559.0**	**501.2**	**Added value**	Operating income less cost of work subcontracted and other external expenses
Results				
EBITA recurring	29.8	32.2	**EBITA recurring**	EBITA excluding non-operational items (restructuring costs and other one-off items)
EBITA	28.4	31.6		
Net result	13.7	15.2		
Return on average shareholders' equity (%)	6.9	8.6	**Return on average shareholders' equity**	Net result / Average shareholders' equity
EBITA margin, recurring (%)	4.3	5.2	**EBITA margin**	EBITA recurring / Operating income
Earnings per share (€)	2.66	2.97	**Earnings per share**	Net result / Number of ordinary shares issued
Balance Sheet				
Total assets	451.8	431.1		
Shareholders' equity	209.7	189.6		
Group equity	209.8	189.7		
Group equity as percentage of total assets (%)	46.4	44.0		
Financial Position				
Net working capital	22.1	(8.7)	**Net working capital**	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Free cash flow	(28.4)	9.8	**Free cash flow**	Cash flow from operating and investing activities

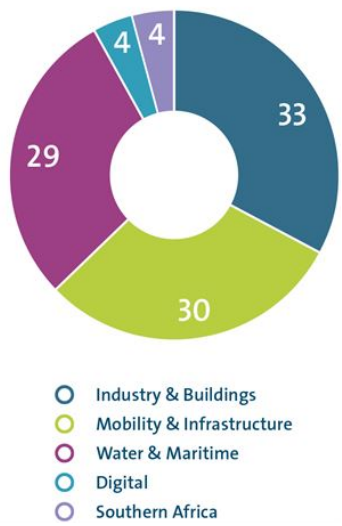
Net turnover by region (%)

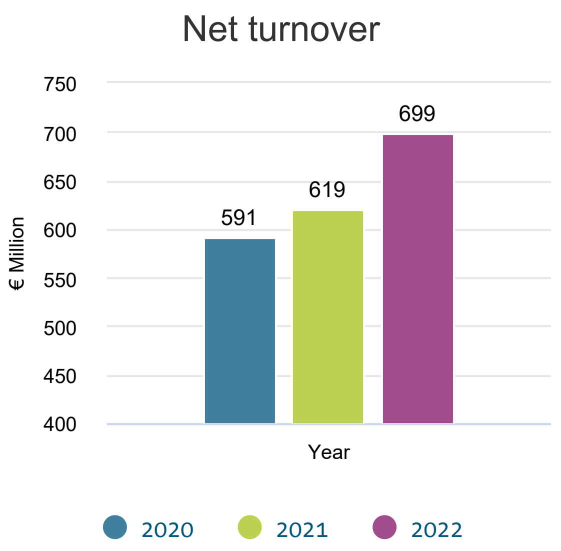


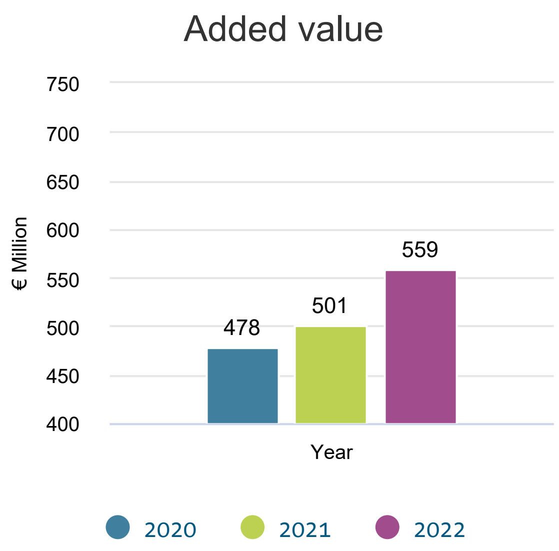
Net turnover by client group (%)

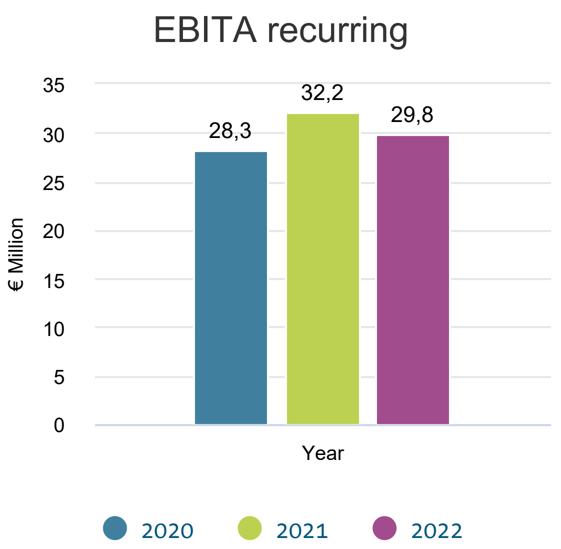


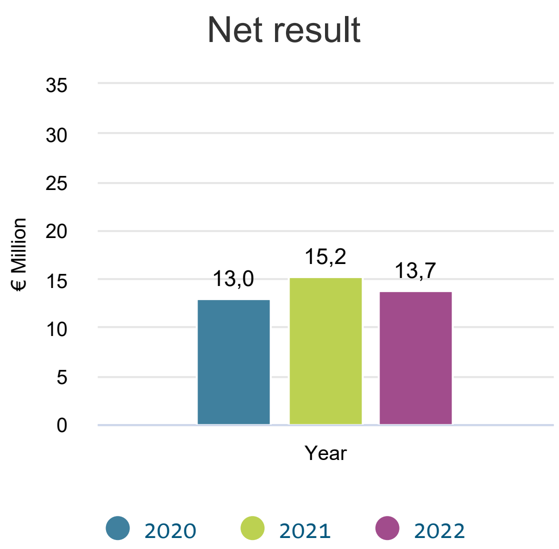
Net turnover by business line (%)




Net turnover
750
700
650
600
550
500
450
400
€ Million
591
619
699
Year
2020
2021
2022


Added value
750
700
650
600
550
500
450
400
€ Million
478
501
559
Year
2020
2021
2022


EBITA recurring
35
30
25
20
15
10
5
0
€ Million
28,3
32,2
29,8
Year
2020
2021
2022


Net result
35
30
25
20
15
10
5
0
€ Million
13,0
15,2
13,7
Year
2020
2021
2022

Sustainability Key Figures

CO_2 Footprint per employee

CO_2 footprint
(tonnes CO_2 equivalent per employee)
2022: 2.09
2021: 1.40
-61%*

CO_2 footprint in office buildings
(tonnes CO_2 equivalent per employee)
2022: 0.35
2021: 0.35
-43%*

CO_2 footprint for business travel by car
(tonnes CO_2 equivalent per employee)
2022: 0.21
2021: 0.16
-90%*

CO_2 footprint for business travel by plane
(tonnes CO_2 equivalent per employee)
2022: 0.61
2021: 0.24
-58%*

*Compared to 2019 (baseline year)

Accidents and incidents

Lost time injury – frequency (LTIF)
(per 200,000 workable hours)
2022: 0.02
2021: 0.05

Total recordable case frequency (TRCF)
(per 200,000 workable hours)
2022: 1.55
2021: 1.05

Employees

Our employees
2022: 5,551
2021: 5,317

YOUNG professionals
(<35 years)
2022: 33%
2021: 32%

Employee nationalities
2022: 95
2021: 82

As of December 31, 2022, 5551 people had a direct employment contract with Royal HaskoningDHV or one of its subsidiaries.

Employees
74% / 26%
2021: 74% / 26%

Global Leadership Group
77% / 23%
2021: 78% / 22%

Executive Council
63% / 37%
2021: 57% / 43%

Executive Board
67% / 33%
2021: 100% / 0%

Supervisory Board
60% / 40%
2021: 60% / 40%

Training and development

Average hours of training and development per person
2022: 49
2021: 38

Total hours of training and development
(workforce)
2022: 306,341
2021: 215,912

Our Company

Royal HaskoningDHV is an independent consultancy which integrates over 140 years of design, engineering and consultancy expertise with software and technology to deliver more added value for clients.

As consulting engineers, we care deeply about our people, our clients and society. Through our mission Enhancing Society Together, we take responsibility for having a positive impact on the world. We constantly challenge ourselves and others to develop sustainable and socially responsible solutions to local and global issues related to the built environment.

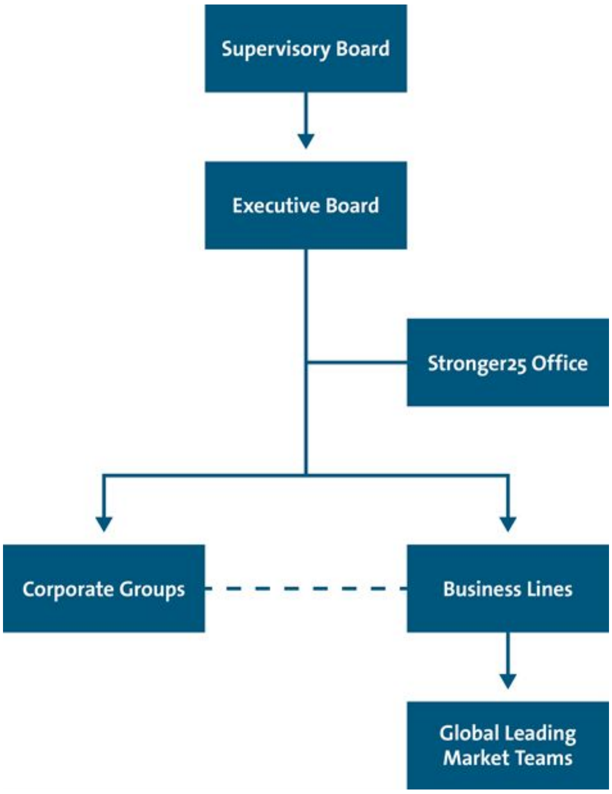
Our head office is in the Netherlands. In 2022, we had 58 permanent offices in 24 countries across Europe, Asia Pacific, Africa, the Middle East and the Americas. A full list of our offices is available on our website.

Our global organisation is made up of a diverse workforce. In 2022, on average, we were supported by 6251 colleagues- employees, trainees, agency workers and others. Read more in the Employability chapter.

Royal HaskoningDHV is our main brand. Most other company brands within our group are linked to the corporate brand by visual endorsement. More information on our company brands can be found on our website.

Leadership

A layered corporate governance structure is in place to safeguard our principles to operate as an independent private limited company and to create a sustainable platform to deliver value to our people, our clients and society at large.



Executive Board

Royal HaskoningDHV is led by the Executive Board. In 2022 Marije Hulshof joined our Executive Board. Our Executive Board consists of:

Erik Oostwegel	**Jasper de Wit**	**Marije Hulshof**
CEO	CFO	
Member since: 2009	Member since: 2019	Member since: 2022
Born in: 1966	Born in: 1974	Born in: 1965
Gender: male	Gender: male	Gender: female
Nationality: Dutch	Nationality: Dutch	Nationality: Dutch

Supervisory Board

The Supervisory Board's task is to supervise the policy of the Executive Board and the general course of events of the company and its affiliated business. The Supervisory Board advises and supervises the Executive Board of the company in setting and achieving the objectives, strategy and policies guided by the interests of the company and its affiliated business.

From left to right: Peter Blauwhoff, Francine Roelofsen-van Dierendonck, Anqelique Paulussen-Hoogakker, Daan Sperling, Rob Zandbergen.

In 2022 the Supervisory Board consisted of:

Peter Blauwhoff	**Francine Roelofsen-van Dierendonck**	**Angelique Paulussen-Hoogakker**	**Daan Sperling**	**Rob Zandbergen**
Chairman of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board	Vice Chairman of the Supervisory Board	Member of the Supervisory Board
Member: Remuneration and Appointment Committee	Madam Chair: Remuneration and Appointment Committee	Member: Remuneration and Appointment Committee	Member: Audit Committee	Chairman: Audit Committee
Member since: 2015 Term ends: 2023 Born in: 1953 Gender: male Nationality: Dutch	Member since: 2020 Term ends: 2024 Born in: 1976 Gender: female Nationality: Dutch	Member since: 2015 Term ends: 2023 Born in: 1959 Gender: female Nationality: Dutch	Member since: 2019 Term ends: 2023 Born in: 1955 Gender: male Nationality: Dutch	Member since: 2022 Term ends: 2026 Born in: 1958 Gender: male Nationality: Dutch

In March 2022, Rob Zandbergen joined our Supervisory Board, replacing Tjalling Tiemstra.

New members of the Supervisory Board are nominated by the Supervisory Board and appointed by the shareholders. The Supervisory Board operates fully independently of the Executive Board and is guided by the long-term performance and sustainable long-term value creation of the company taking the relevant interests of all company stakeholders into account.

More information about the Supervisory Board profile, appointment and resignation scheme, and regulations can be found on our website.

Executive Council

From left to right: Jasper de Wit (CFO), Erik Oostwegel (CEO), Sabine Bink (Global Director Industry & Buildings), Marije Hulshof (Executive Board member), Anton van der Sanden (Global Director Mobility & Infrastructure), Anke Mastenbroek (Business Line Director Southern Africa), David de Graaf (Global Director Digital), Jon Robinson (Global Director Water & Maritime).

The Executive Council consists of the Executive Board and the Global Directors. It convened regularly in 2022 and discussed topics including employee engagement, the strategy Stronger25, performance of the business lines, key accounts, value propositions and more.

Business Lines

Royal HaskoningDHV is organised globally across five business lines:

- Industry & Buildings
- Mobility & Infrastructure
- Water & Maritime
- Digital
- Southern Africa.

The business lines are each managed by a Global Director who reports directly to the Executive Board.

Within our business we have identified nine Global Leading Markets (GLMs), alongside our operations in the Netherlands. These GLMs refer to services for which we are globally recognised and hold leading positions in the market. In these markets, we are renowned for our expertise, have a proven strong financial performance and we foresee an interesting growth potential in several geographies.

Extended Executive Council

The Corporate Group Directors together with the Executive Council form the Extended Executive Council. The Extended Executive Council met twice in 2022 to discuss employee engagement and the Stronger25 strategy. The Extended Executive Council attended a workshop on cultivating a safe working environment and building trust in teams.

Corporate Groups

Our business is supported by Corporate Groups, which include:

- Brand, Marketing and Communications
- Finance
- Human Resources Management
- Legal Affairs
- Project Excellence
- Strategy
- Workplace Solutions.

Shareholders

Royal HaskoningDHV (Koninklijke HaskoningDHV Groep B.V) is an independent and employee-owned company with no external investors and has two shareholders:

- Stichting HaskoningDHV ("the Foundation"), and:
- Stichting Administratiekantoor HaskoningDHV ("the Trust Office").

Our ownership structure allows us to operate independently and focus on those matters that we consider relevant. The Foundation holds and manages all so called A-shares (being at least 75.5% of the entire issued share capital) and has as aim the long-term continuity and sustainable value creation of the company all in accordance with the relevant corporate governance regulations.

The Trust Office holds and manages all so called B-shares (representing at most 24.5% of the entire issued share capital) that allows for the issue of 'depositary receipts' to all employees in the Netherlands, United Kingdom, South Africa, Poland, Australia and Canada that are interested to buy depositary receipts. Through these depositary receipts employees feel more engaged, become more involved and receive a dividend when the company is profitable, next to the appreciation of yield in share value. At the end of 2022, 1984 employees held 437,727 depositary receipts (2021: 2015 employees held 385,496 depositary receipts).

Markets

We operate on a global scale and offer our engineering, design, consultancy, software and technology services across nine Global Leading Markets and the Netherlands.

Climate resilience

As the atmosphere warms and sea levels rise, climate hazards are becoming more frequent and more severe. Even as carbon emissions reduce, the risk of flooding, erosion, droughts, heatwaves, and storms will continue to increase. The earlier we can protect people, assets, and infrastructure, the better. From safeguarding local communities to global enterprises, we bring a unique blend of consultancy, design, engineering and software solutions which address climate mitigation and adaptation. From climate change awareness, risk modelling and adaptation planning to nature-based solutions and early warning systems, we support our clients and their stakeholders in every step of their journey. Read more about climate resilience on our website.

Data centres

As part of our mission to Enhance Society Together, we deliver state-of-the-art data centre designs in which energy efficiency and sustainability are fundamental principles. We deliver facilities that support continuity of operations, businesses and systems. We are committed to delivering carbon-neutral data centres and ensure the structure suits its environment. From our market-leading position, our innovations significantly reduce the environmental footprint of data infrastructure. Read more about data centres on our website.

Intermodal transportation

Intermodal transport hubs seamlessly integrate the air, rail and road services which are central to the infrastructure of modern economies. Having defined world-leading airport design for more than 70 years, we are leading the way in pioneering solutions for multimodal hubs to deliver the next generation of connected mobility with improved accessibility and sustainable door-to-door journeys. From transit links and crowd management to master planning and infrastructure design, we're shaping the future of sustainable intermodal transport hubs. Read more about intermodal transport on our website.

Light industry

Changes in demand patterns are driving major transformations in global manufacturing industries and supply chains. Addressing decarbonisation and sustainable manufacturing are just two of the urgent focus areas. Dynamic markets and operational environments require faster adaptation via new product lines and variations, with a simultaneous focus on lean production and cost minimisation. Digital manufacturing and automation have a clear role to play here, including new future-proof production methods. Furthermore, with supply chain disruptions a constant threat, businesses need to be able to rapidly respond and manage these risks. Each industry faces its own unique barriers and nuances. We bring integrated design, consultancy and project management services tailored to client needs. Our sustainable solutions transform manufacturing processes, optimise the supply chain and deliver future-proof investments. Engineering, procurement, and construction management projects (EPCM) around the globe have honed our expertise in fast-tracking, simplification, modularisation and automation. Read more about light industry on our website.

Maritime

The maritime industry is the backbone of global trade, playing a vital role in growing economies, ensuring supply lines, spreading opportunities and prosperity, and providing the safe and effective transport of goods. This is why it's so important that ports, terminals and shipyards are optimised to perform effectively, sustainably, and in a way that delivers the best outcomes for local communities and wider society. As one of the world's leading maritime consultants, it's our goal to Enhance Society Together by optimising maritime operations everywhere. That means futureproofing existing sites with new solutions that protect people and environments. It means helping emerging economies grow and thrive. And it means designing and creating the smart maritime environments of tomorrow, today. In these areas, our innovation, expertise, and dedication to sustainable development continue to set us and our clients apart – as they have for the last 140 years. Read more about maritime on our website.

Renewable energy & Decarbonisation of industry

Transforming the way we power our world is one of the most important things we can do to fight climate change. Energy production and use are responsible for 73% of global greenhouse gas emissions and therefore our world needs to urgently shift towards low-carbon and sustainable sources of energy. We help our clients with consultancy and engineering in mastering the new energy ecosystem and decarbonisation of industry through using clean energy sources, electrification and energy-saving measures. Our projects range from offshore wind and hydrogen infrastructure to supporting industry achieve net-zero by 2050. Read more about renewable energy and decarbonisation on our website.

Sustainable mobility

Mobility is undergoing a seismic shift across the world. Growing demand brings increasing pressure on mobility systems, which face disruption from new technologies and changing behaviour. To help clients optimise their mobility network, we bring together cutting-edge technology with tailored transport strategy and expert implementation. Our passion for human-centred mobility networks focuses on engaging people and communities to help improve the way the world moves. Read more about sustainable mobility on our website.

Tunnels & Structures

In busy cities and ports, tunnels and underground structures are making a tangible difference in connecting communities and enhancing accessibility. We specialise in soft soil tunnelling and immersed tunnels. Our integrated approach means clients can access the design, construction, operation, and management of tunnels all under one roof – from landmark projects to cost-effective designs. Read more about tunnels and structures on our website.

Water technology

The world needs water, which is critical for health, prosperity and the functioning of society. Faced with multiple challenges, a new mindset is needed. With our water expertise and smart technology, we help clients achieve a coherent approach, involving innovation, efficiency and circularity to achieve lasting value and sustainable, positive solutions - for people, for businesses and for society. We solve water management problems at every stage of the water cycle. We help clients protect available resources and use water more sustainably for the future. To do that, we combine award-winning innovations with the know-how to apply that technology for maximum long-term benefit. Our water technologies have unique capabilities to solve common problems – for example, reducing chemical use in phosphate removal, or increasing treatment capacity in a limited space. Together with our partners, we continue to innovate and bring new solutions to the market such as Nereda, Ephyra, Kaumera and Twinn Aquasuite. Read more about water technology on our website.

The Netherlands

Royal HaskoningDHV is founded and headquartered in the Netherlands. We have built an outstanding reputation for our consultancy and engineering expertise, leading the market in the Netherlands in terms of employee numbers and turnover. Our extensive experience, commitment to innovation and involvement in key infrastructure projects has led to close relationships with local governments, corporate clients and knowledge centres. There is a strong connection between growth in our global leading markets and growth in the Netherlands. We are involved in major future developments in our fields of expertise. This expertise developed in the Netherlands supports our work globally. At the same time best practices in our Global Leading Markets inform and reinforce our position in the Netherlands. Read more on our website.

Project: New port of Durrës at Porto Romano

Location: Albania

About the project: This development will deliver a positive impact on the economy of the entire Balkans region and bring significant social and environmental benefits. The plans by Royal HaskoningDHV and local partner Abkons reveal an ambitious transformation of maritime infrastructure in Albania and multimodal transport in the Western Balkans. The new seaport will use the latest in Green Ports and automation technologies and will link with rail and road infrastructure. By facilitating efficient, sustainable connectivity with the planned dry port facility in neighbouring Kosovo, it will create a trade hub for the rest of the Balkan states.

Project: Meanderende Maas (Maas Ravenstein)

Location: The Netherlands

About the project: The dikes along the south side of the river Maas in the Netherlands need to be reinforced to meet safety standards. Royal HaskoningDHV, together with Waterschap Aa en Maas, and Boskalis will work on a CO_2 Neutral project to reinforce the dikes for the next 50 years, improving local nature and considering the effects of climate change.

Project: Construction management and supervision services for new LEGO Group factory

Location: Vietnam

About the project: In November 2022, the LEGO Group celebrated breaking ground on its new US $1 billion factory in the Binh Duong Province in Vietnam. Royal HaskoningDHV was contracted to provide consultancy services, including construction management and supervision. Quality, safety, health, environment and sustainability will be at the heart of our services for the new factory.

From left to right: Wouter Bijman, director Witteveen+Bos, Diana Beuting, HID GPO Rijkswaterstaat, Dick van Klaveren, portfolio director GPO Rijkswaterstaat, Anton van der Sanden, Global Director Mobility & Infrastructure).

Project: Renovation of 7 tunnels in the province of South Holland

Location: The Netherlands

About the project: Rijkswaterstaat, an governmental agency of the Ministry of Infrastructure and Water Management in the Netherlands awarded the contract for the engineering services for the renovations of 7 tunnels in Zuid-Holland to Tunnel Engineering Consultants (TEC), a combination of Royal HaskoningDHV and Witteveen+Bos. In the coming years, Rijkswaterstaat and TEC will jointly set the bar for the completion of the plan study, contract preparation and supervising the execution of the renovations.

Project: Zero-emission zones in the Netherlands

Location: The Netherlands

About the project: Together with Buck Consultants International, we organise the programme management and the implementation of the SPES projects in the Netherlands. With this we will support 30 to 40 large cities in the Netherlands in realizing zero-emission zones. Through this project we will support the creation of healthy, climate-proof, future-proof cities.

Project: Study on the transition to green energy and its impact on ports

Location: Europe

About the project: The transition to green energy will be a game-changer for our economy and society. Its effect on ports will be particularly significant. The European Sea Ports Organisation (ESPO) and European Federation of Inland Ports (EFIP) commissioned Royal HaskoningDHV to conduct a study to understand the potential impact of this transition on port infrastructure, and its implications for port authorities. The final report contains 17 fact sheets on developments related to energy transition. These include decarbonisation, renewables, and supply chain considerations – examining their impact on both sea and inland ports. The analysis revealed a series of challenges that energy transition poses for ports. Despite the possible obstacles, green energy offers ports opportunities to make cost savings, secure market share, and attract new cargo and industries.

Project: New agile plant supports expansion of Dutch Lady Milk Industries Berhad

Location: Malaysia

About the project: Dutch Lady Milk Industries Berhad (DLMI), a subsidiary of Royal FrieslandCampina, contracted Royal HaskoningDHV to develop a world-class environmentally friendly and innovative production facility in Malysia. Royal HaskoningDHV is providing design, procurement, construction management, commissioning and start-up of the facility. The innovative production facility will revolutionise supply chain processes and provide scalable capacity to meet future requirements of milk and dairy consumers in Malaysia. Quality, safety, health, environment, and sustainability are at the heart of the design of the new factory.

Project: Community and values-led planning: Thames Coromandel, New Zealand

Location: New Zealand

About the project: 90% of the Coromandel Peninsula's population live along its 400km coastline. The area needed to build resilience against storm conditions and sea level rise – which meant obtaining community buy-in for adaptation plans over a 100-year timeframe. So, alongside risk modelling and technical assessment, we conducted a series of public events and 14 coastal panel meetings, listening to community's concerns and winning support. The outcome was a complete technical i-Report from scoping to recommendations.

Photo: © Dogger Bank

Project: Planning the Dogger Bank Wind Farm

Location: United Kingdom

About the project: Royal HaskoningDHV, working with the development consortium Forewind, successfully achieved consent for four offshore wind farms in the Dogger Bank Zone in the United Kingdom in 2015. At the time, this was the largest number of projects to be awarded consent within a similar timeframe and was also potentially the largest offshore wind project in the world. In 2022, the first elements of the construction were under way. This photo shows the first monopile and transition piece installed on the Dogger Bank marking the culmination of more than 12 years of work, with which Royal HaskoningDHV has been involved from the start.

Project: Multistorey data centre in Frankfurt reflecting high sustainability standards

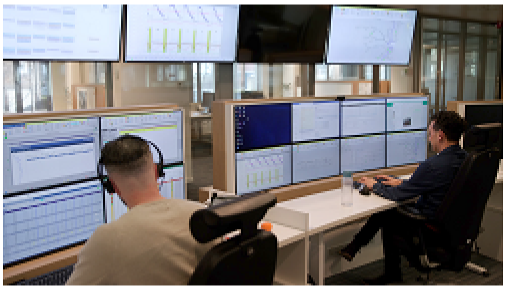
Location: Germany

About the project: Royal HaskoningDHV was contracted as lead consultant to design a new data centre in Frankfurt. We developed the design from concept to detailed stage and oversaw quality assurance during construction through to commissioning. The new data centre for our client in Frankfurt is designed to optimise commercial needs while reducing impact on the local environment. The data centre designed to meet the highest sustainability and efficiency standards within a creative best fit solution which maximised capacity. We paid close attention to enhancing the visual appeal of the building.

Project: Supplying Dutch industry with emission-free hydrogen

Location: The Netherlands

About the project: Emission-free hydrogen is expected to play a vital role in the transition to a sustainable carbon-free Dutch industry. To turn this dream into reality, the Institute for Sustainable Process Technology (ISPT) developed the Hydrohub Innovation Programme. Royal HaskoningDHV is contributing to the programme, helping regions identify where large-scale H2 production sites can fit into their spatial plans. The results of the project will help to drive progress in the design and development of economically viable green hydrogen facilities.



Project: WBL A Data-Driven Water Authority

Location: The Netherlands

About the project: Waterschapsbedrijf Limburg (WBL) currently faces a wealth of challenges. A growing population, strict EU legislation, climate change and the imminent retirement of an experienced workforce are making it increasingly difficult to meet the needs of its public. As a result, the water authority sought to implement data-driven operations. Its goal was to gain a greater understanding of how each of its assets functions, and improve its ability to analyse past events and anticipate future failures and emergencies. Working with Royal HaskoningDHV, WBL was able to take a first step in realising this ambition.

Project: Supporting Groningen Seaports to safeguard moored vessels in storms

Location: The Netherlands

About the project: Groningen Seaports, the economic operator, developer and authority for the port of Delfzijl and Eemshaven in the Netherlands, will activate Royal HaskoningDHV's innovative Smart Mooring software. Smart Mooring software supports safe operation of moored vessels in ports by predicting their behaviour in wind. With vessels becoming larger and storm events heavier, such insights become vital for port control operations.

Project: Tour-based traffic models in the province of Limburg

Location: The Netherlands

About the project: As of 1 October 2022, the province of Limburg will use tour-based multimodal traffic models, developed by Royal HaskoningDHV. This is the first time that this type of model has been approved on this scale in the Netherlands. The new traffic models contribute to a healthy and liveable environment and can help policymakers understand the effects of parkin, environmental zones, working from home on the urban environment.

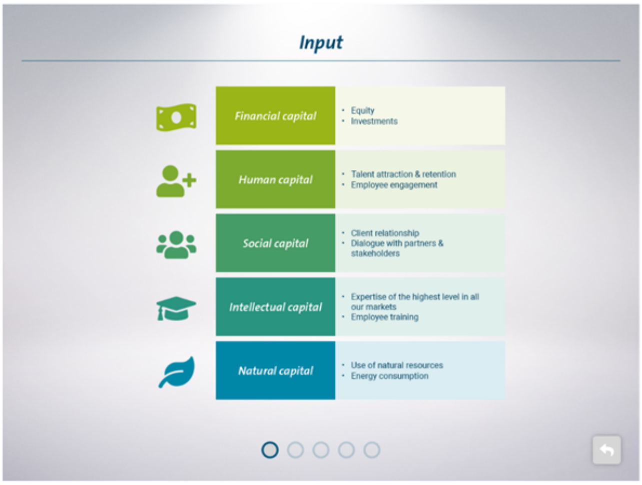
Project: New Dock A at Zurich Airport

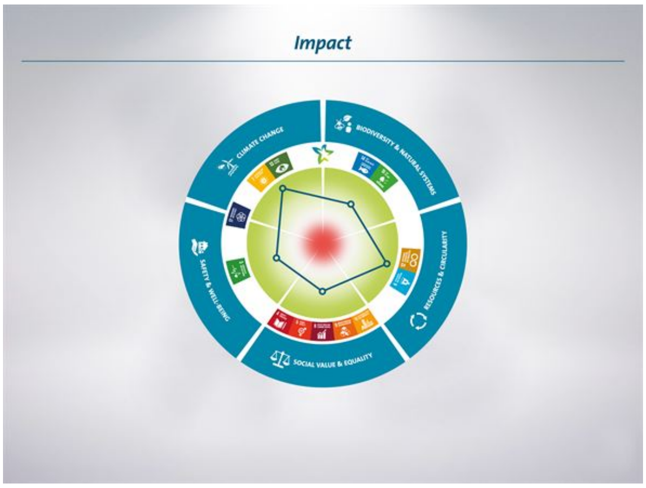
Location: Switzerland

About the project: NACO was part of the winning design team for the new Dock A at Zurich Airport., together with BucharestStudio and IMIGO. The new dock has two main areas: a central hub with shopping, airport services for arriving and departing passengers and vertical circulation, and a pier with gates, waiting areas and fixed links connecting to the planes. To enhance the passenger experience, the spaces within the new terminal use daylight as a natural wayfinding system. A linear skylight - created by the unfolding roof of the pier - widens toward the central hub and opens up into the atrium where all departing, arriving, and transferring passengers meet. By placing the control tower in its centre, the tower is experienced from the inside as a beacon that creates a sense of place, akin to a town square rather than an airport.

Value Chain

Royal HaskoningDHV supports clients in the natural and built environment across the full value chain.





The visual shows a schematic overview of how our business creates value for its stakeholders and subsequently for society as a whole. The input capitals are based on the six capital model of the International Integrated Reporting Council (IIRC).

Impact through our projects

In our consulting, design and engineering services we advise our clients on the optimal solution for their challenge and the most efficient way of realising it. We do this by combining the knowledge of our employees, partners, suppliers and subconsultants with our digital tools.

On a market level, we focus where we can make a difference and can really Enhance Society Together to maximise our positive impact on the environment and society via our Global Leading Markets and the Netherlands. On a project level, we apply our Purpose Matrix to assess how we can deliver the best result for our client, the environment and society.

With our software, we capture the knowledge gained from our consulting and engineering services to optimise the operations of clients, for example in the use of energy and chemicals in water treatment or ingredients in industry.

With our technology, we offer best-in-class water treatment solutions in respect of the use and re-use of resources or becoming net-zero. We continuously invest in improving this technology, both internally (for example in the extraction of valuable bio-based resource Kaumera from the Nereda wastewater treatment process) and externally by acquiring complementary technology (for example, Helea).

Impact in our operations

In our own operations, we are reducing our carbon footprint across the board.

We support our colleagues in their own activities to make a positive impact on society. Our employees are a constant source of inspiration with their efforts to contribute to local communities. Their work is evident in global initiatives such as the World Clean-up Day and the work of the BriTE foundation, a charity fund set up by our employees.

Investing in our future, positive impact

To ensure we continue delivering our purpose, Enhancing Society Together, we must maintain and grow our position as trusted partners to our clients. This is a driver in our strategy to shift our service mix: to make the most impact, we are reshaping our services in the light of new technologies, and increasing the consultancy support we offer clients. Clients trust our ability to offer them the best advice based on our deep knowledge and innovations.

We invest in knowledge. We provide learning opportunities and knowledge trainings to our people. All our employees have the opportunity to develop their ideas in marketable solutions through the Innovation Hub. We extend our investment in knowledge through our memberships and by establishing collaborations with knowledge and research institutes.

Stakeholder Engagement

Engaging in meaningful dialogue with our network is crucial for our organisation to continue being successful and to deliver our ambition to Enhance Society Together.

Outcomes of our engagement are incorporated into our decision-making process.

Clients

As independent consulting engineers, we collaborate with a diverse range of clients - private companies of all sizes, national and regional governments, international semi-governmental and not-for-profit organisations and finance institutes. Throughout our collaboration, we communicate directly with our clients to understand how best to support them in tackling their complex challenges.

We collect inputs on the topics of most interest to them and areas they want us to focus on developing our services offering. These conversations have revealed key topics such as energy transition, decarbonisation, optimising processes through digitisation, business resilience (supply chain or for political issues), reducing nitrogen pollution, pricing strategies in 2022 and ceasing projects in Ukraine and Russia as a result of the Ukraine invasion.

Engaging closely with our clients is essential for successful collaboration; measuring their satisfaction is an important indicator of the quality of performance of our company. We do this by sending out client satisfaction surveys when a project is completed, tracking the scores they award us and reviewing their comments regularly.

How does a workplace and location add value to our clients? Our Global Market Leader Workplace Strategies & Solutions René Karreman and Corporate Director Brand, Marketing & Communications Claire de Nerée tot Babberich met with representatives from Achmea, ING, ABN AMRO, Coty, Miro and Royal FloraHolland in a Round Table discussion.

Read more on our website.

Board 2 Board

To understand the broader context in which we operate, we engage at board level with companies. These Board 2 Board meetings involve open dialogue about business and societal dilemmas and share constructive inputs. In 2022, we discussed, among other topics, developments in digital transformation, major issues impacting our society and environment such as the energy transition, and how we are ingraining our purpose Enhancing Society Together to make the most of opportunities and really achieve the best that we can.

Employees

Our people are fundamental to the delivery of our services and our strategy. We engage with our employees on an ongoing basis in various ways to understand what is important to them, ensure they feel proud working for our company, and help them understand and contribute to our strategy and priorities.

In 2022, our Executive Board informed employees of our strategic progress and other significant topics on a monthly basis. Online events and workshops were organised throughout the year, accessible to colleagues from all over the world. A company-wide employee engagement survey was shared with all employees inviting anonymous feedback on themes such as equality, diversity & inclusion, confidence in leaders, performance & development, and compensation & benefits. In the Netherlands, the Works Council engaged with senior leadership and employees to collect inputs and advise on issues such as inflation and salary increases.

Becoming employer of choice for our people is one of our top priorities. You can read more about our initiatives in the chapter Employability.

Governments & International Institutions

We engage with governments and international institutions sharing insights, expertise and information to support the international trade and sustainability agenda via trade missions, CEO Roundtable meetings and other events. We also closely followed the developments of the UN Climate Change Conference, COP27, and the UN Biodiversity Conference, COP15, and shared our reflections with our network.

Partners, associations, knowledge networks

Our partnerships, memberships and knowledge networks support us in our mission to Enhance Society Together. By joining forces with research groups and industry organisations, we are positioned at the forefront of solutions to global challenges. It is through our collaborations that we accelerate innovation and knowledge development to maximise our positive impact on society and the environment.

A list of partnerships, memberships and other associations is published on our website.

Communities

One of the themes defined within our mission to Enhance Society Together is to positively seek out and provide wider benefits for communities, beyond the primary scope of our projects. This means that social value will increasingly impact the choices we make about the projects we take on. We are committed to adding value in the way we approach projects through stakeholder management to incorporate and respond to input from the local community.

Suppliers

We expect high standards from our suppliers and aim to develop lasting, reliable relationships. Our suppliers can expect clarity, transparency and honesty from us and, in turn, must comply with our Business Principles for our Partners and Suppliers.

Shareholders

Royal HaskoningDHV is an independent and unlisted company, owned by two shareholders: Stichting HaskoningDHV (Foundation) and Stichting Administratiekantoor HaskoningDHV (Trust Office). Both shareholders have independent meetings to discuss key topics for the organisation and how we deliver on our purpose of Enhancing Society Together.

Future plans

In 2022, the planned stakeholder survey on material topics for the update to our sustainability themes could not take place. At the same time, the sustainability reporting landscape in Europe is rapidly evolving. We recognise that engaging with our stakeholders to reflect on material topics is crucial for the implementation of our strategy and to comply with the latest Corporate Sustainability Reporting Directive (CSRD) regulations. In 2022 we prioritised reviewing stakeholder engagement processes and overall reporting processes in our company. We are working with our colleagues to define how we can best address this in the future.

Strategy

We choose where to play and how to win based on what's happening in the outside world and what we believe are our organisational strongholds. Our strategy Stronger25 has four pillars: delivering on Enhancing Society Together; growth in our Global Leading Markets and in the Netherlands; shifting our service mix to add value for our clients; and realising our ambitions by generating a healthy profit to invest in our company.

2022 presented challenges in many fronts. Climate change impacts were felt globally with frequent floods, heatwaves and drought. The invasion of Ukraine caused a humanitarian crisis and helped strengthen the increasing demand to transition away from fossil-fuel energy. Geopolitical tensions, and the lingering aftermath of the Covid pandemic, continued to disrupt supply chains. Shortages of raw materials, rising distribution costs and the energy crisis have fuelled inflationary pressures for companies and consumers. Convergence across management consultancies and engineering, design and consultancy firms continues. The current status of the economy is likely to dampen demand, leading consumer-facing companies to reduce capital investment and seek cost reduction opportunities. The scarcity of skilled labour, especially in Western markets, creates intense competition for recruiting and retaining talent. In the Netherlands, nitrogen legislation is progressively tightening, affecting building permits.

> Our strategy, Stronger 25, helps us remain focused on four pillars: Enhancing Society Together, Global Leading Markets and the Netherlands, Shifting our service mix and Achieving our ambitions.

Enhancing Society Together

Enhancing Society Together is our purpose. It drives us, differentiates our business and provides our compass. We all take responsibility for making a positive difference to society through our projects and our daily operations and are constantly challenging ourselves to improve.

Enhancing Society Together is focused across five themes through which we believe we can have the biggest impact. Each theme connects to identified United Nations Sustainable Development Goals. The themes are climate change; biodiversity and natural systems; resources and circularity; social value and equality; and safety and well-being. Year by year, we seek to accelerate our efforts to meet the increasing urgency of environmental and social challenges.

During 2022, we took concrete steps to embed our purpose Enhancing Society Together further into our business and operations. Our governance and coordination structures were refined. Experts and sustainability specialists across our five Enhancing Society Together themes worked closely with leading market teams. We embedded Enhancing Society Together in our processes and our communications, raising it with clients and external stakeholders. A new Purpose Matrix assesses the impact of projects, proposals, products and services against each theme. It attracted high engagement and positive feedback from clients and colleagues during the rollout across the company and has been integrated into our project management processes and systems. It is also being used to challenge ourselves and our clients for more sustainability, and to inform project vetting. With our baseline measurement complete, we will set tangible ambitions for the future.

Our Purpose Matrix.

We launched the Enhancing Society Together award which attracted more than 60 projects from across our organisation. After votes were cast to select a winning project from each region, the global winner, Green Volt Floating Offshore Windfarm, was announced in January 2023. Within our organisation, we have made good progress on our own net zero emissions targets, supported by a net zero travel policy launched at the beginning of the year.

To raise skills and consistency in our approach to sustainability, we have been developing an Enhancing Society Together Academy. The Academy will provide guidance on systems thinking, biodiversity, circularity, and other themes. It will launch in 2023. Also in 2023, we will focus on strengthening the interface between sustainability and digitisation in the way we work and in the products and services we offer clients. This includes parametric design around life cycle analysis and the ability to optimise designs for sustainability dimensions, as well as digital projects across our markets. Climate change will continue to be in sharp focus across society, bringing with it demand for decarbonisation and resilience in our projects.

Global Leading Markets and the Netherlands

In Stronger25 we have identified nine markets in which we can and want to play a significant role internationally alongside our business in the Netherlands. The teams responsible for growing these Global Leading Markets are organised across business lines. The teams were established in 2022 and delivered revenue growth of around 20% - some 15% higher than growth in areas outside our strategic targets. Our Global Leading Markets Renewable Energy & Decarbonisation of Industry as well as Climate Resilience were well placed to respond to demands connected to the changing climate and rising energy prices. To ease knowledge sharing and enable quicker response to clients' complex needs, we took steps to further highlight the visibility of our experts in associated topics, for example through our COP27 campaign. In 2022, we further grew our stake in Singapore-based Hydroinformatics Institute to 75% to drive innovation and create better solutions combining software with consultancy to help clients become more climate resilient.

We focused on leveraging our unique market leadership position in the Netherlands where we offer a full portfolio of services. In the Netherlands, we were pleased to record close to 10% revenue growth in our Global Leading Markets. In 2022, we identified themes where clients can particularly benefit from our multi-disciplinary approach and where we can offer expertise from across the breadth of our portfolio.

Shifting our service mix

We remain focused on the capabilities and skills we need to deliver more added value for our clients. This is a driver in our strategy to shift our service mix.

The first shift is to grow and transform our engineering and design services and remain competitive through further standardisation and automation. In 2022, we continued developing digital ways of working by automating processes and using digital tools to further enhance our service portfolio. This was also recognised by our partners. For example, Autodesk asked us to share our experience of preparing colleagues for the future of work at an industry talk at Autodesk University.

The second shift is to grow and transform our consultancy services leading to the 2022 acquisition of Districon, boosting our consultancy offering in the supply chain and logistics sphere.

As the third shift, we aim to grow and focus on software and technology. In 2022 we launched Twinn, unifying our software and data solutions portfolio. Twinn switches focus from standalone digital solutions to support effective decision-making through capabilities in simulation, modelling, data science, climate modelling and more. We continued to innovate in software bringing together domain knowledge and digital expertise. This was recognised in the Global Offshore Wind's Performance and Reporting Transparency Award for Ensis, a cloud-based platform which helps to improve the way in which offshore wind assets are monitored, jointly developed with a major offshore wind developer.

We sold our Dawaco software to Realworld Systems as it no longer fitted in our software portfolio.

In 2022, our water technology business recovered from a dip in performance the year before. However, it did not meet the year's target and teams are exploring new sales channels. We have added a new wastewater digestion technology patent to our portfolio and entered into a cooperation agreement with Anglian Water to bring this technology to market in the United Kingdom and abroad. The technology maximises a plant's biogas production from sludge and transforms the remaining biosolids into a high-quality resource.

Royal HaskoningDHV acquired Netherlands' leading specialists in supply chain solutions Districon. This strategic acquisition creates a supply chain & logistics powerhouse that advises clients from A to Z; from production chain and investment strategy to design, delivery and control of factory and warehouse.

Royal HaskoningDHV and Anglian Water entered into a cooperation agreement to bring the HpH digestion technology, developed by Anglian Water, to market in the UK and abroad.

Achieving our ambitions

We aim to become employer of choice; developing, retaining, and attracting diverse talents needed to deliver on our purpose of enhancing society together. We want to grow our turnover annually and make a healthy profit to invest in our company.

We made good progress in revenue growth in 2022. However, profitability lagged. Cost management and pricing will be important areas for 2023.

In 2022, we continued to attract talented people in a tight labour market. Our purpose plays an important role in appealing to those who are committed to making a difference through their work. Retention also improved compared to the previous year. Our employee engagement at 82% is above benchmark. Recruitment campaigns in which colleagues explained why they liked working at Royal HaskoningDHV proved positive for new joiners and within our organisation too.

The relevance of our mission remains very important in addressing the huge challenges faced by societies. We continue to be positive and optimistic, exploring different perspectives, and challenging ourselves and our clients to make more positive impact for people and the planet.

In that respect, we are looking forward to the opening of our Paris-proof office in a listed building in Delft in 2024. As a community in the heart of the city and university campus, it will embody many of the themes that we value as a company.

Our new office in Delft.

Financial Performance

Financial sustainability of our company is necessary to fulfil our ambitions. In 2022, operating income grew, driven by the nine Global Leading Markets and our presence in the Netherlands in line with our Stronger25 strategy. We focused our portfolio and invested in these markets through, for example, the acquisition of supply chain consultancy Districon.

In general markets conditions were good in 2022. The challenging conditions in some markets together with investments in our software business, increased operational costs and a one-off inflation payment to our employees had an impact on our profitability. As a result, our operating margin decreased to 4.3% (2021: 5.2%).

It is our ambition to maintain our top-line growth rate and improve our profitability. The outlook for 2023 is positive: our financial position remains healthy and new projects are underway while we concentrate on managing our operational costs.

Revenue and growth

Revenue increased by 13% from €619 million in 2021 to €699 million in 2022 of which 10% (2021: 1.9%) was organic revenue growth. Four out of our five business lines contributed to our revenue growth. Difficult market conditions in Southern Africa hampered our growth there.

Both in terms of revenues and in added value, the company made good progress. Added value increased by 12% and organic growth by 9%. Although the order intake was good in 2022, the utilisation rate remained at the same level as last year but included a firm focus on innovation and development alongside investment in building our digital business. This was directed towards developing consulting and software capabilities.

Profitability

EBITA recurring ended at €29.8 million which is 7% lower than last year. Rising inflation increased our operational costs, particularly in areas such as energy and software. At the same time, we have been able to attract new staff and grow our company and we made strong and ambitious investment in our digital business.

With our employees also facing higher prices, we provided a one-off compensation payment to partially offset the increase. As a result of all the effects mentioned, our operating margin decreased to 4.3% (2021: 5.2%). A net result of €13.7 million (2021: €15.2 million) was reported.

Acquisition

The acquisition of Districon in April 2022 enables us to be even more effective in helping clients to design, organise and manage their supply chains in a sustainable, flexible, and efficient way using the latest digital technology.

Global opportunities

We see an increasing trend in demand for software and technology projects, often as an integral part of more traditional engineering, design and consultancy projects. To meet this growing demand and help to futureproof our organisation, we are committed to expanding our digital and software business. In 2022, software and technology projects were responsible for a small percentage of the total revenue. Through the significant investment we are making in this area, we are confident that this emerging business will grow.

Cash position

Our financial position remains healthy, with an equity ratio of 46% (2021: 44%) and a cash position of €147 million at the end of the year. We operate well within our bank covenants. The outlook for next year is positive with a sound order book of €346 million (2021: €334 million) and many new projects to come.

Our free cash flow in 2022 was €28.4 million negative (2021: €9.8 million positive). The acquisition of Districon together with an increase in our working capital and the start of the reconstruction of our new Delft office impacted our cash position. Having seen a significant reduction in days sales outstanding (DSO) in 2021, these increased to 73 days in 2022 (2021: 64 days).

Business Ethics

Royal HaskoningDHV is a global company which operates in a variety of cultural, social, and business contexts. Today's complex business environment demands that we firmly embed integrity in our values, our culture, and our daily business practices. We act ethically and with transparency in our business dealings, respecting the customs and laws of our working environments. We are a partly employee-owned and independent company. Our independence is reflected in our work.

A commitment to decent behaviour and integrity is an integral part of our culture, rooted in our vision, mission and core values. This is communicated through our Global Code of Business Principles (GCBP) which, together with our Compliance Integrity Management System (CIMS) and Compliance Programme, defines and assures our conduct.

Governance

Our Corporate Governance structure is in place to safeguard the principles of Royal HaskoningDHV to operate as an independent private limited company and to create a sustainable platform to deliver value to our people, our clients and society at large.

Ultimate responsibility for the implementation and application of our Global Code of Business Principles, together with our Compliance Integrity Management System (CIMS) and Compliance Programme, lies with the Executive Board. The Compliance department, management teams of the business lines, corporate groups and operating entities are responsible for ensuring that all employees are familiar with the CIMS and adhere to it.

Directors and Controllers sign an annual letter of representation in which they acknowledge responsibility for the Global Code of Business Principles for their business line, corporate group or operating entity.

The Compliance department consists of the Group Compliance Officer and the Local Compliance Officers. Local Compliance Officers are appointed in each of the countries where Royal HaskoningDHV has its local operations.

The Group Compliance Officer reports to the Executive Board every month about developments, challenges, and integrity cases. The Supervisory Board is informed quarterly about developments in the compliance programme and important integrity cases. Once a year, the Group Compliance Officer is invited to the Supervisory Board meeting to discuss the compliance programme. The Group Compliance Officer has a reporting line to both the CEO and the Chairman of the Supervisory Board if there are reasons to escalate any concerns.

Royal HaskoningDHV also has a Risk Assessment Board in place. The objective of its reviews is to evaluate risks related to projects with a high-risk profile that have an impact on the company as a whole. The Board ensures that all aspects of a potential project have been reviewed, experts from corporate groups have been consulted as required, and that specific elements have been identified, evaluated, mitigated, or considered acceptable.

Finally, the Internal Audit function provides additional assurance. The priorities for Internal Audit are defined in an annual audit plan that is approved by the Audit Committee and could include integrity or compliance-related risks. Audit findings from Internal Audit are included in the follow-up process and progress in mitigating the identified risks is reported to responsible management, Executive Board and Audit Committee.

Core values

Our values are key to our existence as a company and are communicated through our GCBP. These form the basis of who we are and want to be. The following five points, which create the acronym B R I T E, explain these values. Our stakeholders can expect from us, behaviours and solutions that are in line with these values and reflect our promise, Enhancing Society Together.

- **Brightness:** We keep an open mind to ideas that lead to the best solutions for our clients. We innovate and are eager to lead by inspiration.
- **Result driven:** We are aiming to achieve the best possible results for both our clients and our company with respect to sustainable financial performance.
- **Integrity:** We care about our clients, our staff and society. We create integrated and pragmatic solutions for sustainable interaction with a high respect for people and their environment. We have zero tolerance for non-compliance with our integrity code.
- **Team spirit:** Our way of working is pro-active, open, and inclusive.
- **Excellence:** We deliver on our promises and strive to continuously improve the added value of our services.

Compliance Integrity Management System

Integrity is of utmost importance to us. This includes a commitment to work to the highest professional and ethical standards. Our integrity policy is embedded throughout the company, and we have had our Compliance Integrity Management System audited and certified since 2010. As of 2020, we are compliant with international ISO standards and have been assessed and certified as meeting the requirements of the ISO 37001 standard for our Anti-Bribery Management System as well as meeting the requirement of the ISO 37301 standard for our Compliance Integrity Management System.

We have a zero-tolerance policy for bribery and corruption and aim to meet international best practice standards in anti-corruption compliance and business ethics. We share our principles on integrity and compliance with suppliers and subcontractors.

To further improve control over our value chain, since 2020 new clients undergo a third-party assessment (TPA). Group Compliance is executing the TPA's with the focus on compliance and integrity aspects. For executing the TPA's we are using the systems from Moody's analytics company Bureau van Dijk. If a TPA results in an 'amber' or 'red' compliance rating, specific procedures apply including determining mitigating measures. If the compliance rating is 'red' and the business line wants to pursue an opportunity, the approval from the Corporate Risk Assessment Board is required.

We have been a partner of the United Nations Global Compact (UNGC) for more than a decade, supporting their Ten Principles on human rights, labour, environment, and anti-corruption. We actively show our commitment to these principles in our tenders, offers and selection process of projects. We communicate our progress in implementing the Ten Principles of the United Nations Global Compact annually. These reports are available on our website.

When there is a potential challenge between a project and our core purpose and beliefs, we are guided by the:

- Ten Principles of the UN Global Compact
- UN Guiding Principles on Business and Human Rights
- Organisation for Economic Cooperation and Development (OECD) standards
- ISO 26000 Guidance on Social Responsibility
- International Labour Organisation (ILO) standards.

Our aim is to be transparent and accountable, resolving conflicting issues through dialogue and working towards an acceptable solution. We maintain a multi-lingual third-party SpeakUp line (whistle-blower) for occasions when greater confidentiality or anonymity is desired. This is available internally through our intranet and externally through our company webpage.

Accountability

Training is an essential part of the compliance programme. Training is done with guidance documents, integrity moments, training sessions and e-learning modules. This ensures awareness and knowledge of compliance related matters. In 2022, 93% of our employees globally participated in the e-learning about respectful workplace behaviour.

Risk Management

Our mission Enhancing Society Together leads what we do. It is the cornerstone of our risk management approach because we want to achieve positive impact through our organisation and through our projects for clients.

During 2022, the existing guidance and measurement for our Enhancing Society Together impact was replaced following the development of our Purpose Chart and Purpose Matrix. The Purpose Matrix has been implemented in our management system. Projects are assessed on the five dimensions and the result documented in our Project Health Check tool. It enables us to see the impact of our projects and mitigate risks for environment and society.

Risks

We identify so-called corporate risks and operational risks. Each risk is linked to one or more of the company's strategic objectives.

Corporate and Operational Risks

Corporate risks

Every year, management identifies the most important corporate risks. This is done with an assessment where risks are scored on probability and impact (on EBITA for the coming three years). Both endogenous and exogenous risks are considered. The areas where various risks are defined and assessed relate to:

- Integrity risks
- Organisation, strategy and culture,
- Markets, clients and competition,
- Technology,
- Employees,
- Project management.

In 2022, we continued monitoring the impact of Covid-19 on our business (clients and employees). Subjects receiving specific attention were the mental and physical health and safety of our employees, scenario planning (impact on revenues, sales and costs), continuity of our business during lockdowns and limited access to our offices and clients, and information security.

We continue to review what is happening in the world around us and discuss our response. Countries going through political uncertainty are assessed on a regular basis to evaluate related risks and consequences for our policies.

Disruptive technologies and other trends will have a significant impact on our knowledge-intensive business. We are monitoring these developments and are actively engaging with partners on innovation and digitisation.

For any major crisis our crisis management policies remain in place, including well-trained and experienced Corporate Crisis Management Teams. In countries where we are operating, Country Incident Management Teams are also well established. These teams advise the Executive Board and Management Teams at various levels about risks and measures to be taken.

Integrity risks

Key corporate risks	Key controls
Integrity risks	*Risk rating: High (low probability, high impact)*
To ensure that we avoid integrity breaches, we operate in ways that meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption – supporting the 10 Principles of the UN Global Compact. These are incorporated in our Global Code of Conduct and Integrity Management System.	In 2022 we extended our insight into parties within our value chain. Based on a risk assessment, selected clients and partners now undergo a Third-Party Assessment executed by our Finance and Compliance departments. These procedures are fully embedded in our processes.

Organisation, Strategy and Culture

Key corporate risks	Key controls
Organisation, Strategy and Culture	*Risk rating: High (low probability, high impact)*
Not being able to enhance society together may lead to a situation where Royal HaskoningDHV fails to meet the beliefs it stands for. This will impact our reputation and lead to unhappy clients, employees and others with whom we work closely. The wider consequence will ultimately be an unhappy society.	Assessments using the Purpose Matrix and the results documented in the Project Health Check.

Markets, clients and competition

Key corporate risks	Key controls
Markets, clients and competition	*Risk rating: High (high probability, high impact)*
There is a risk of lost revenue as a result of economic downturn in markets or segments. This could happen if our clients (government and private) decide to cancel or postpone projects and investments which directly impact our order portfolio.	Market risk is a fact of doing business. We are aware of the risk, and constantly monitor our position in markets and segments as well as our utilisation of resources. We also ensure outstanding relations with clients and other stakeholders. Further controls are offered by: -Global geographical spread of business. -Differentiation in various business segments. -Ability to realign the organisation quickly when revenues decrease. -Strong client relationship management in place. -Ability to financially absorb temporary drops in revenues.

Technology

Key corporate risks	Key controls
Technology	*Risk rating: High (high probability, high impact)*
Cyber security risk which could potentially lead to loss, damage or destruction of assets or data is a key risk for Royal HaskoningDHV, and also for clients who use our applications and products, and for suppliers and sub-consultants/sub-contractors with whom we share information digitally.	We have implemented state-of-the-art control measures to mitigate the risk of cyberattacks, including: -Patch management (up-to-date operating systems and patches). -Anti-virus/firewall. -Access management (including multi-factor authentication). -Monitoring (e.g., domain controllers, Microsoft, firewall, email filtering). -Partner selection procedures. -Cyber insurance protection. -Awareness among employees. -Business continuity procedures in place and tested. Information security certification to ISO 27001.

Employees

Key corporate risks	Key controls
Employees	*Risk Rating: High (low probability, high impact)*
As a company we might be unable to hire sufficient and qualified people in the market. This is heightened by increased demand worldwide for technically and digitally skilled people.	Build on a strong reputation as an employer of choice.
	Ensure we maintain close relationships with relevant universities.
	Offer competitive and modern labour conditions.

Project management

Key corporate risks	Key controls
Project management	*Risk rating: High (low probability, high impact)*
An inability to deliver world-class products to clients is one of the key risks. Controlling and managing project delivery is key.	Resourcing projects with the right qualified project managers.
	Continuous training of project managers to manage multi-disciplinary teams.
	Providing the right tooling.
	Regular assessment of project delivery (and management) by an independent Project Excellence Team.
	Ability to work in integrated multi-disciplinary teams.

Project Health Check

The cost of failure in our industry is largely related to flaws in project management. To reduce this, two robust project management tools and training have been implemented. One tool supports Proposal Managers in the assessment of risk and processing of tenders. The other is the Project Health Check which supports Project Managers and Directors in monthly project reviews. This further reduced project losses. We continue efforts to strengthen project management and our commercial way of working.

Project risk management procedures are integrated in our management system to ensure consistency throughout the organisation. We identify three main areas: get work, do work, and get paid. For each of these areas, risks and key controls have been defined and can be found in the tables below.

Project acquisition

After a Request for Proposal, responsibility for the proposal is assigned to a Proposal Manager. They must ensure the proposal offers the best technical solution to the client and that the 5 Enhancing Society Together themes in our Purpose Matrix are taken into consideration. They undertake a risk assessment for each proposal and document the outcome in a Risk Mitigation Plan. The risk assessment includes monetary determination of the risk/contingency which is priced into the offer. Final approval of the proposal is defined in the Risk & Approval Matrix.

Key risks	Key controls
The project will not be in line with our strategy.	Risk & Approval Matrix. Country policy. Purpose Matrix. Deviations discussed and specifically approved.
Teaming up with an unreliable or unprofessional partner.	Third-Party Assessment. Internal assessment of the capabilities of a partner.
Entering into an agreement with a client who cannot pay our invoice and/or we do not clearly understand the expectations, local standards, culture, or goals.	Third-Party Assessment. Payment history. Training of Proposal Managers.
The country where the project is executed may have travel and security risks for our employees and requires specific risk assessment, or specific tax rules might apply and need to be taken into account.	For projects abroad, review by the Risk Manager and Tax Director. Country Policy.
The scope is not clearly understood, significant health, safety or environment (HSE) risks are identified, or long duration of the project is expected.	Review of scope by minimum 4-eyes in line with the Risk & Approval Matrix. Understand HSE risks (evidenced by certifications against ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health & Safety Management System).
A large part of the work is subcontracted, and the subcontractor/supplier is not reliable.	Assess capabilities of sub-contractor. Third-Party Assessment.
Entering into contracts with high liability in relation to the contract value and entering into poor contract conditions.	Standard terms & conditions. Deviations from standard are reviewed by our Legal team.
The project may be considered controversial.	Controversial projects guideline.
Financial risk: receipts and/or payments in foreign currency, unfavourable payment conditions and guarantees/bonds to be issued.	Cash flow projections. Hedging of exposures in foreign currency. Specialist advice for guarantees and bonds.

Project execution

After the contract is won, the Project Manager must set up the team, prepare a detailed project plan and deliver according to the scope and conditions of the contract. During execution, the Project Manager must assess whether the contingencies are adequate. The basis for this assessment is the Project Risk Log where any assessment and/or changes in risk and contingency are recorded.

Information about all projects is tracked in the Project Health Tool.

Key risks	Key controls
Appoint an inadequately equipped Project Manager.	Expertise and experience of the project manager is known (CV system) Project tier classification where project tier and project management tier should match.
Inadequate quality of deliverables.	4-eyes principle and peer review on every deliverable. Qualified employees to do the job. Management system with all steps to be taken are subject to ISO 9001 (Quality Management System) certification.
The Project Manager does not flag issues and/or does not seek help if problems arise.	The Project Health Tool contains information about all projects of Royal HaskoningDHV. Based on pre-defined criteria, projects are classified as basic, lite or full which then determines the depth and level of review. Lite and full projects are manually risk-assessed monthly by the Project Manager on stakeholders, costs, time, scope, resources, QHSE, communication, procurement and other risks. Depending on the level of risk determined, these projects are reviewed and discussed with and by Finance, Project Excellence, and line managers up to Board level. The key is that *actions* are agreed if risks and issues are flagged. Basic projects automatically receive a colour rating based on pre-defined KPIs and the Project Manager discusses actions to be taken with the Director of the Advisory Group.

Project payment

An invoice is raised to the client in line with the contractually agreed payment conditions. After receipt of the final payment and end of contractual agreements, the project can be closed.

Key risks	Key controls
The Project Manager is not aware that invoices are submitted.	Hours and expenses are recorded at the project level where the Project Manager is responsible for review and monitoring. The Project Manager is responsible for issuing an invoice which is routed through an automatic workflow. Finance monitors timely billing.
The Project Manager is not aware that an invoice is overdue.	Standard reports with invoice status are generated for the Project Manager. Days Sales Outstanding is part of the incentive scheme of Project Managers and management. Credit Control provides support on the most effective collection strategy. Any provisions for bad debts are recorded on the project and have a negative impact on the project result.

Other financial risks

Liabilities

Our liabilities are defined within each contract. Most of these will fall within our standard conditions for what we consider acceptable risk. If conditions are not met, additional approvals are required. Legal counsel reviews and provides recommendations to limit liability when possible. In addition, we are covered to a significant level by Professional Indemnity insurances.

Liquidity

Two main controls help ensure sufficient funding is available for our operations: control over our working capital (mainly work in progress positions and debtors) and securing our bank facilities. Before submitting a proposal, we assess the client's ability to settle our invoices over the duration of the project and monitor our credit risk continuously during project execution. In addition, for each proposal, a cash flow forecast must be prepared, and we aim to negotiate a positive cumulative cash position during the project. We have agreed guarantee facilities with our banks where loan covenants are applicable. Our Corporate Treasury monitors that these are met.

Currency

Fluctuations in commonly traded currencies like USD and GBP and in less-traded currencies represent a risk on part of our turnover. Our treasury policy aims to cover the currency risk as much as possible during execution of projects. Corporate Treasury monitors and advises on foreign currency exposures and the use of hedge instruments.

Guarantees

A few clients require us to issue corporate guarantees for the execution of a project. It is our policy to limit the issue of these guarantees. For this reason, we manage our balance sheets to ensure solvency of our companies is enough to operate independently in the market. Royal HaskoningDHV has stringent procedures to review and approve bank guarantees and bonds (like advance payment guarantees and performance bonds) before they are issued.

Pensions

In principle, Royal HaskoningDHV operates pension plans under defined contribution pension schemes. However, at HaskoningDHV UK Limited there is a closed defined benefit scheme. This scheme was closed for new entries and future accruals in 2005. The closed defined benefit members became deferred members. The Group does not and will not provide any guarantees to the United Kingdom defined benefit pension scheme. The responsibility lies with the Royal HaskoningDHV entity in the United Kingdom. The defined benefit scheme deficit under Dutch GAAP (Generally Accepted Accounting Principles) on December 31, 2022, is € 8.2 million (2021: €17.4 million) with an associated deferred tax asset of € 2.1million (2021: €4.3 million).

Sustainability

How are we achieving our strategic ambitions?

Our diverse community has a wide reach, working on projects across very different markets. How we deliver on our purpose depends on the focus and context of each individual project. The common threads are the collective mindset to look for opportunities for positive impact in everything we do, and our Purpose Matrix. This is what brings our purpose to life and differentiates our organisation. We not only challenge ourselves for more sustainable solutions but also our clients. Our principles, themes and ethos are integrated into the projects we choose and how we deliver them through structured governance, systems and communications. Our commitment to lead on sustainability is also reflected in ambitious targets to make our own organisation's transition to sustainable, low-carbon operations.

How we manage sustainability

During 2022, we aligned our decision making, governance, systems and communications structures around our five themes of Enhancing Society Together. They are included in a tangible and consistent way in conversations, proposals, projects and services with the use of our Purpose Matrix which provides guidance and reference for project and client vetting, and daily practice.

> Our purpose chart details our 5 key themes along with their connection to the UN Sustainable Development Goals. The centre is not a scoring chart but does assist in reflecting the impact a proposal, project, product or service has on all five key themes as a whole. Assessing in this way is important. Even if we can see positive impact in one theme, we cannot forget the other themes and should always challenge clients and ourselves to look for opportunities for positive impact in all themes. Together with our clients and partners, we aim to contribute to the following SDGs: SDG3, SDG4, SDG5, SDG6, SDG7, SDG8, SDG9, SDG11, SDG12, SDG13, SDG14, SDG15, and SDG17.

Sustainability governance

Sustainability is fully integrated into our activities, led by senior management from strategy to delivery. In 2022, governance and coordination structures for delivering on our purpose were refined. The Stronger25 Office, established in 2022, ensures other strategic activities align with our purpose.

In 2022 we set up systems to provide a global approach to assessing project impact. With these in place, we have been moderating responses to ensure consistency in measurement and have established a baseline position. The next stage in 2023 is to set targets for project impact and delivery.

Sustainability in our operations

Sustainable procurement

In 2022, we updated our global sustainable procurement policy, adding guidelines and commitments to social value & equality. The guidelines apply to all purchases for use within our own organisation, such as workplace solutions and office supplies. They steer us to purchase in a uniform and sustainable way and cover purchase and maintenance as well as the life cycle use of products and services. We aim to favour the selection of suppliers who have embedded sustainable and ethical practices and challenge suppliers to reach for the most sustainable solutions at an early stage. With these guidelines, we commit to identify areas of sustainable risk (based on the five Enhancing Society Together themes) where possible and collaborate with suppliers to reduce this risk.

In the Netherlands, we aim to favour suppliers who are committed to helping people with a distance to the labour market. In 2022 we purchased socially responsible manufactured products including a green fence for the construction site at our future Delft office.

A new contract management system was adopted in 2022 which improves possibilities for monitoring and evaluation of suppliers.

Greener offices

We are reviewing leases for all our locations to ensure space and location are optimised and aligned with our net-zero commitments. In 2022, we decreased floor space in offices in the Netherlands, South Africa and the United Kingdom. For example, five offices in Brighton and Birmingham in the United Kingdom were consolidated to just two, one in each city. At the same time, we increased the quality and comfort of the workplace for employees.

We support the transition to greener sources of energy. We intend to progressively move away from using natural gas in our offices. In 2022 we initiated discussions with our landlords in the United Kingdom and the Netherlands on this topic.

In 2022, energy efficient (LED) lighting was installed in eight offices: Brighton, Birmingham, Amersfoort, Cape Town, Johannesburg, Umhlanga, Pietermaritzburg and George. n this context we also received confirmation that our data centres only use renewable energy. We collaborated with our landlords to reduce our energy usage, resulting in further action. For example, we switched to LED lighting in some parking areas. We also adjusted office temperatures to be slightly lower in the winter and higher in the summer. We have implemented energy monitoring in our offices in the Netherlands and the United Kingdom to track progress and are preparing to extend this to other countries.

Our new Delft office will be a great example of an energy efficient building. The Delft office will be the first listed building in the Netherlands to become Paris-proof (using 100% renewable energy below 70KW/m²). In 2022, we obtained the relevant permits to start the building process. The renovation is currently ongoing, aiming to be completed by 2024.

In South Africa, our cleaning companies transitioned to using environmentally friendly products. The new cleaning products are less hazardous to the environment as they do not contain chemicals that can cause significant air or water pollution and are not harmful to the ozone layer.

Less waste and future IT investments

We continued working on our Zero Waste policy. We implemented a new global waste dashboard to monitor waste generated by our organisation. In 2022 our United Kingdom offices, for example in Birmingham and Brighton, focused on reusing existing furniture and IT equipment for newly occupied spaces.

We want to mitigate our impact on the environment in all aspects of our operations. Our new sustainable IT policy, created in the course of 2022, will aim to support a reduction of our environmental impact in future IT investments.

Sustainable mobility

We continued our efforts in sustainable mobility with our employees. Our car fleet in the Netherlands became 100% electric by February 2023. The electricity for charging these cars at the office, at home and elsewhere, is now 100% from renewable sources with guarantees of origin. We have started a feasibility study on the use of electric cars in the United Kingdom.

In 2022 we made a major step forward in reducing our CO_2 emissions through revisions to our travel policy. We introduced a more sustainable policy for colleagues, providing guidelines aimed to reduce non-essential business travel by air. When air travel is deemed essential, colleagues are asked to make sustainable choices. Colleagues who travel to other Royal HaskoningDHV offices are asked to limit their number of travels and are encouraged to book flights with the lowest carbon footprint.

The flexible working practices introduced during Covid continue to lower emissions from commuting. As expected, this is less than during Covid lockdown periods and reflects the new hybrid approach to working.

Reporting on our material topics

We continue reporting on the seven material themes that we included in the 2021 Corporate Social Responsibility report. These topics were defined on the basis of past materiality assessments, and in relation to our activities, to ensure we maintain the right focus as an organisation. Our materiality assessment was not updated in 2022. In the next reporting cycles, we will review the material topics and implement the concept of double materiality to ensure alignment with the new reporting regulations introduced by the European Commission and the Corporate Governance Code in the Netherlands. The material topics we report on in this chapter are (in alphabetical order):

- Economic / financial performance
- Emission reduction
- Employability
- Health and safety
- Integrity and ethical performance
- Security and privacy
- Quality and sustainability in our products and services

Materiality matrix.

The sections in this chapter include our 2022 updates on the material topics. Read more about Economic/ Financial Performance in the section Financial Performance of this report.

Emission Reduction

We are taking a leadership role in the transition to a net-zero carbon economy and have adopted ambitious emissions targets which demonstrate our commitment to sustainable growth. In 2022 our near- and long-term targets to achieve net-zero greenhouse gas emissions within our global operations were approved by the global Science Based Targets initiative (SBTi).

In particular, the SBTi comment that our "net-zero target is currently the most ambitious designation available through the SBTi process" is a clear indication of our desire to be at the forefront in making a serious commitment to sustainable growth. We have pledged to:

- A reduction of scope 1 & 2 global greenhouse gas emissions from mainly offices by 95% by 2030 and 100% by 2050 from a 2019 base year. We also commit to increase annual sourcing of renewable electricity from 80% in 2019 to 100% by 2030. The target boundary includes biogenic emissions and removals from bioenergy feedstocks.
- A reduction of scope 3 global greenhouse gas emissions related to business travel by 67% within the same time frame.

It is important for us to take responsibility for the impact our own operations make in the world. This is a crucial part of our ambition to Enhance Society Together and in 2023, we will continue to implement initiatives to further reduce our impact.

To receive the approved net-zero targets for our organisation, it was essential to upgrade our global carbon footprint to full compliance with the Greenhouse Gas Protocol – Corporate standard and the Corporate Value Chain Accounting Reporting standard for Scope 1, 2 and 3 emissions. As a consequence, our baseline measurement for the global carbon footprint, set in the reporting year 2019, has also been reset to fully comply with the abovementioned standards as well as the ISO14064 norm for which we will receive annual audits from DNV. Consequently, as of 2022, we will expand our reported reductions to cover scope 1, 2 and 3 emissions as well as our progress on the approved science-based reduction targets towards net-zero emissions, using the new baseline for 2019.

We will report annually on our progress towards our science-based targets, providing further indication of the seriousness of our intent.

Global Carbon Footprint - Net-Zero - following the GHG protocol and ISO14064

Item	Scope	baseline 2019 t CO_2	2020 t CO_2	2021 t CO_2	2022 t CO_2
Scope 1 emissions GHG protocol	①	4,309	1,741 -60%	1,229 -71%	1,542 -64%
Scope 2 emissions GHG protocol	②	1,121	765 -32%	688 -39%	793 -29%
Scope 3 emissions GHG protocol	③	22,929	9,160 -60%	5,708 -75%	9,641 -58%
Total	① ② ③	**28,359**	**11,665**	**7,623**	**11,974**

Science-based reduction targets:
Royal HaskoningDHV commits to reduce absolute scope 1 and 2 GHG emissions 95% by 2030 from a 2019 base year. The target boundary includes biogenic emissions and removals from bioenergy feedstocks. Royal HaskoningDHV also commits to increase annual sourcing of renewable electricity from 80% in 2019 to 100% by 2030. Royal HaskoningDHV further commits to reduce absolute scope 3 GHG emissions 67% within the same timeframe.

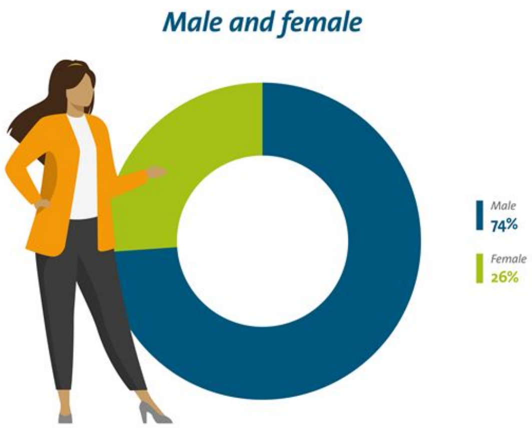
Our workforce					
Total		5,295	5,179	5,428	**5,726**
Totals CO_2 footprint					
Total	① ②	5,430	2,506	1,917	2,335
per employee		*1.03*	*0.48*	*0.35*	*0.41*
Total	① ② ③	28,359	11,665	7,623	11,974
per employee		*5.36*	*2.25*	*1.4*	*2.09*
			-58%	-74%	**-61%**
Office buildings					
Total - office buildings	① ②	1,616	1,231	1,094	1,132
per employee		*0.31*	*0.24*	*0.2*	*0.2*
Total - office buildings	① ② ③	3,280	2,014	1,915	2,030
per employee		*0.62*	*0.39*	*0.35*	*0.35*
			-37%	-43%	**-43%**
Travel by car					
Total - business travel by car	① ②	3,863	1,341	895	1,203
per employee		*0.73*	*0.26*	*0.16*	*0.21*
Total - business travel by car	① ② ③	10,777	1,341	895	1,203
per employee		*2.04*	*0.26*	*0.16*	*0.21*
Total - all travel by road	① ② ③	15,960	3,807	1,934	2,344
per employee		*3.01*	*0.73*	*0.36*	*0.41*
			-87%	-92%	**-90%**
Travel by plane					
Total - business travel by plane	③	7,735	1,965	1,314	3,489
per employee		*1.46*	*0.38*	*0.24*	*0.61*
			-74%	-83%	**-58%**

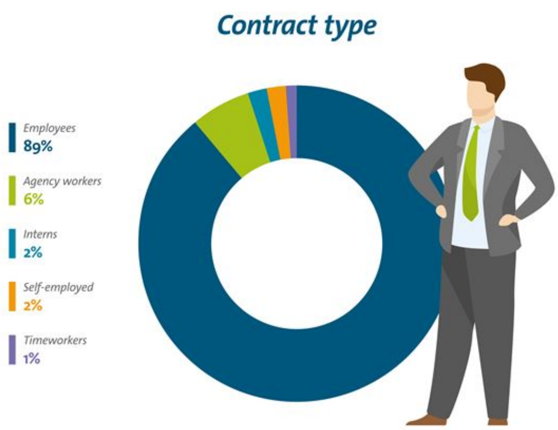
To calculate the Global Carbon Footprint per employee, we considered employees (people with a permanent or definite contract, hired by Royal HaskoningDHV or one of our subsidiaries) and other workers (such as agency workers) that significantly contribute to the carbon footprint. The number was retrieved on 31.12.2022. The workforce showcased in the Emissions reduction section and key figures, related to the Global Carbon Footprint may differ, comparing to other sections of the annual report. In 2023, we will be working to adjust the employee definition, to enhance comparability.

Our calculated footprint covers CO_2-equivalent greenhouse gas emissions related to scope 1, 2 and 3 emissions of our operations. It is based on an international data collection structure which, in 2022, covered 90% of our employees located in the Netherlands, South Africa, United Kingdom, Indonesia, Poland, Vietnam, Australia and India. A weighted average is applied for remaining employees. The data is collected by a team of local employees appointed in participating countries who report twice a year to our corporate data manager. Their report is based on measurements (provided by meters or bills, internal registration systems or reports from partners or suppliers such as travel agencies). Data definitions and the procedure on how to deal with missing data are standardised following the GHG-protocol and the Corporate Value Chain Accounting Reporting standard. Country-specific emission factors are applied to calculate the scope 1, 2 and 3 emissions based on data provided by the national authorities and additional data from the Ecoinvent 3.8 Database (method applied: IPCC2021 GWP 100 V1.0 in line with GHG-protocol & ISO14064). If data is not available in time, the previous year's data for that item and period is reported (temporary estimate). Our global CO_2 footprint will be verified against the requirements of ISO14064 by DNV in April 2023.

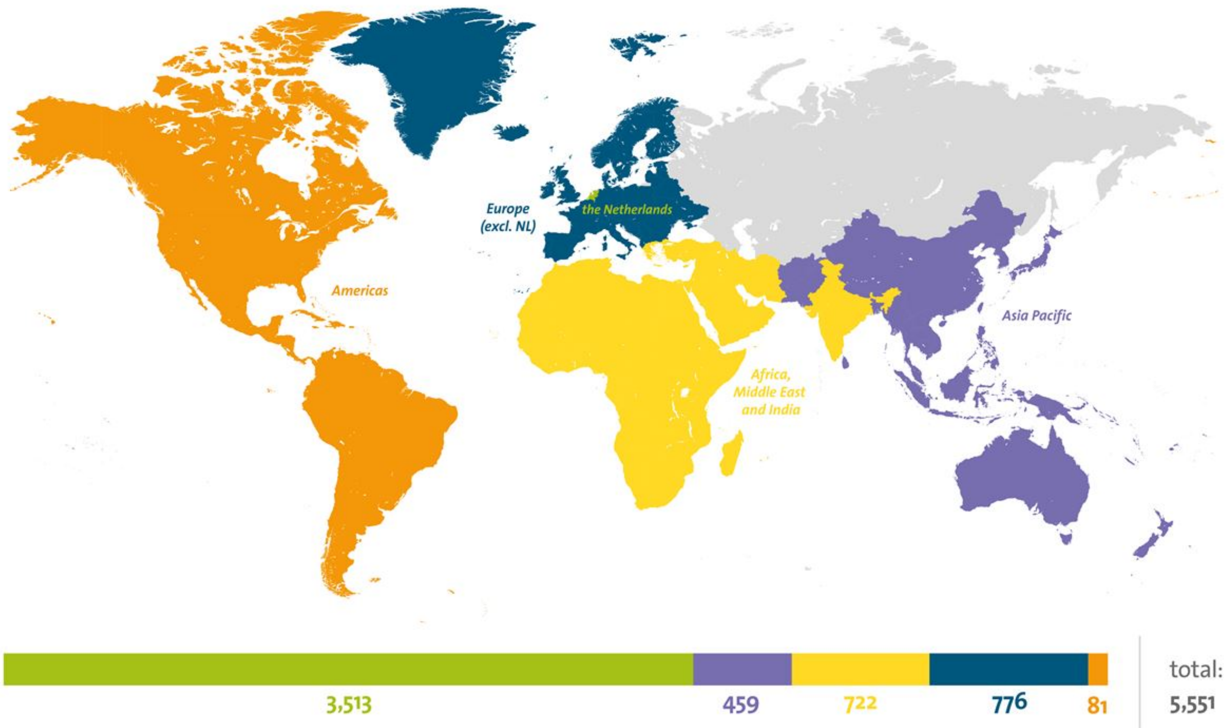
Employability

To achieve our Stronger25 ambitions we aim to be the employer of choice, attracting top talent and providing personal and professional development support where needed. We build connections and engagement, alongside excellent working conditions. The growth of our people through mastering new skills and taking on new challenges is vital to keep building positive impact for society and for each other. We enable our leaders to lead with purpose, valuing diversity of thought, stimulating collaboration and inspiring change.





Employees worldwide



Employee data as of December 31, 2022. The number of employees is based on the number of employees as of 31-12-2022, including staff with a definite or indefinite contract, employed directly by Royal HaskoningDHV or one of its subsidiaries. In 2022, there was an internal transition in data collection and data management systems. This may have led to minor inconsistencies due to different data sources being used to compile data for this report and to end-of-year changes that were made with retroactive effect.

Nationalities

Employee Engagement

A sense of belonging and engagement is a key enabler for job satisfaction.

In 2022 we organised physical and hybrid gatherings in our offices, where Covid restrictions allowed. For example, representatives from various departments joined forces in September for training on the new European regulations on sustainability reporting. We held an inaugural Marketing Day in November enabling marketing colleagues from business lines and corporate groups to exchange views and learn from each other. Similar initiatives across business lines stimulated engagement, knowledge sharing and innovation. In September, our Automate Your Day event explored possibilities for digitising repetitive tasks in our work. Our online and physical introductory event, A Royal Start, is a great opportunity for new joiners to start expanding their network across all areas of the organisation and learn more about our history, culture and purpose. Employees around the world attended digital engagements, including the global online New Year event held in January 2023 to celebrate achievements in 2022 and look at plans for the year ahead.

Our colleagues in South Africa convened to celebrate 100 years of Royal HaskoningDHV in Southern Africa.

We want our people to feel empowered and to contribute their ideas to develop new activities and enhance our digital ways of working. In 2021 we relaunched the Innovation Hub platform which collects ideas from employees. In 2022, 49 new ideas were submitted to the hub taking the total number of ideas to 292, of which 246 are active.

Employee turnover	2022	2021
%	15.8%	14.7%

The well-being of our employees remains very important to us. As pandemic measures eased around the world, the regular pulse checks that had started in 2021 made way for an Employee Engagement Survey in June. This monitors well-being and provides insight into how colleagues are adapting to hybrid working. It helps us to understand gaps connected to employee experience and engagement. Questions in the survey cover 11 dimensions which align with our Stronger25 strategy. They include areas such as confidence in leaders, compensation and benefits, autonomy and empowerment, as well as care for people. The survey indicated high scores in the enablement and engagement areas (72% and 82% respectively). The results demonstrated that our employees feel respected and recognised and that they have autonomy and challenge in their work. They indicated we need to improve how we manage change and streamline the execution of our strategy, and to focus more on workforce retention. Results from the survey were discussed in sessions, promoting further dialogue and insight.

Pursuing our ambition to become an employer of choice and attract the best talent, we follow developments and share knowledge with peers on the future of work. We shared our vision and approach on digital transformation and the importance of the people side of change management at the Global Executives Summit, Unleashing Change Management.

Learning and Development

The skills and competencies needed in today's working environment are constantly evolving. In response, we are developing highly skilled teams with the knowledge and flexibility to rise to complex challenges. We continue to advance digital capabilities at every level and to embed a culture of innovation. We encourage everyone to have the confidence to share their ideas and perspectives, whatever their age and experience. We offer a broad range of learning paths and other training resources to hone the skillset of our employees and support them in their growth and professional development. In 2022 new training modules were introduced including Situational Leadership, Become an Effective Mentor and Pricing Workshops.

Several academies strengthen the functional and technical knowledge of our employees. Alongside our Project Management Academy, we have a Commercial Academy to reinforce commercial ways of working, a Digital Academy to improve digital skills and maturity, and a People Academy for important soft skills, leadership and behavioural topics. We set up the Energy Transition Academy (ET Academy) in response to increasing demand for energy transition specialists from clients and our eagerness to share and expand our knowledge.

Training and development	2022	2021	2020
Average workforce	6,251	5,721	5,781
Total hours spent on training and development	306,341	215,912	182,479
Average hours per person on training and development	49	38	32
Total hours spent e-learning	12,305	45,842	22,709
Average hours per person on e-learning	1.9	7.9	3.9

Training and development hours are tracked for our entire workforce. E-learning hours are tracked for workforce excluding people hired through external companies.

This table shows internal training and development hours by our workforce. The average number of training hours increased compared to 2021. The total time our employees allocated to e-learnings decreased in 2022. Training and development hours are tracked for our entire workforce. E-learning hours are tracked for the workforce excluding people hired through external companies.

Future Leaders in 2022.

In 2022, 24 employees started our Future Leaders Journey which develops future line managers, project managers, leading professionals, commercial directors and more. It is for professionals with approximately 3-8 years of experience and the ability, engagement, and aspiration to grow into future leading roles. The 2022 intake was balanced 50/50 male and female and included participants from six different countries.

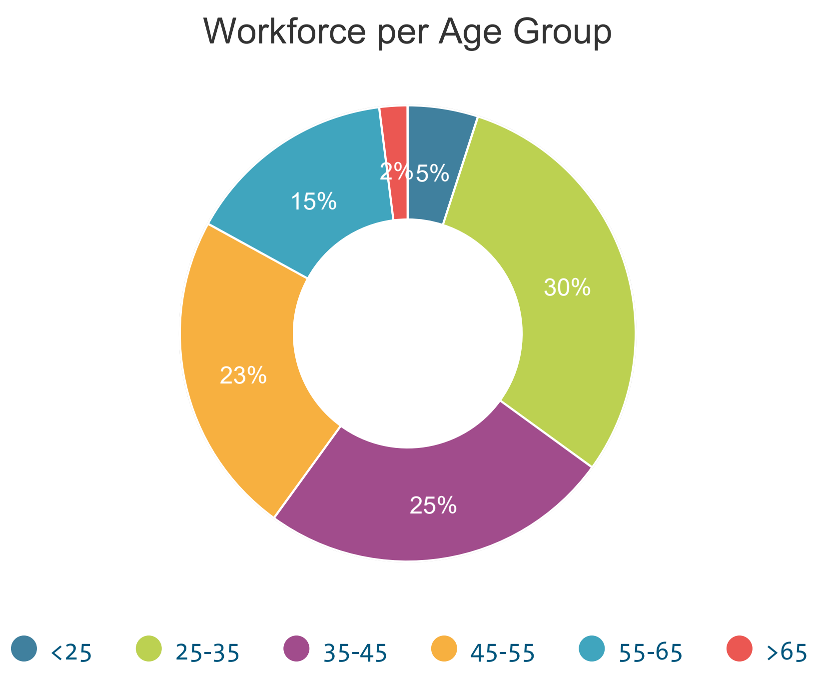
To fast track the development of new graduates and accelerate technical and digital skills, we continue to offer an 18-month learning programme for graduates. It includes one-to-one buddy support, on-the-job training, interactive learning modules and networking events. In 2022 the programme had 154 participants divided into seven cohorts.

It is through continuous learning and development that we can successfully deliver on our strategic goals and meet the changing needs of our clients. To support the learning journey, Royal HaskoningDHV organised three Learning Weeks during the year. Each week included a broad range of webinars, workshops and sharing inspirational best practice. Sessions drew on our internal knowledge source with employees taking on the role of teacher, trainer or mentor to share their passion and expertise.

The learning transformation journey we have created led to Royal HaskoningDHV winning the Remarkable Achievements and Visionary Elites Award from Cornerstone OnDemand in the category of Learning & Development Experience in 2022. The award honours innovative approaches in using Cornerstone solutions to create engaging learning and development experiences. According to the jury: "Royal HaskoningDHV created a learning platform that enabled employees to take a self-directed approach and provided a 24/7 available accessible and inclusive space for its diverse workforce."

Equality, Diversity, and Inclusion

Diversity is not a goal, but a way to reach our goals. Diversity of thought and perspectives is important in creating an accomplished, successful, and sustainable business. We achieve diversity through our aim of being an inclusive employer embracing people with different backgrounds and personal experiences. We are committed to providing an enriching working environment for all, which allows individual skills, strengths, and perspectives to be heard, used, and amplified, regardless of gender, age, sexual orientation, religion, physical ability, or nationality.



This chart shows people working at Royal HaskoningDHV or one of its subsidiaries, including our employees as well as external staff such as agency workers and trainees. There is a small percentage (2.5%) of our external staff whose birth date is not registered in our systems. This group is not depicted in this chart.

26% of our employees are female and 74% male, remaining stable from 2021. Our definition of employees is based on the number of employees as of 31-12-2022, including staff with a definite or indefinite contract, employed directly by Royal HaskoningDHV or one of its subsidiaries.

Over 2021, we reported on our ambition to increase the percentage of female employees to 35% by 2025. We updated this in 2022 to a more realistic, yet still quite ambitious, target. We now aim to increase the percentage of female employees to 28% by 2025 and 32% by 2030.

In 2022, we continued to raise awareness and encourage open conversations around various equality, diversity and inclusion topics. Equality, Diversity, and Inclusion (ED&I) is now a standing agenda item in all company-wide, management and team meetings. Our directors and managers regularly address important issues in their communication with the business and welcome direct feedback from colleagues on issues of concern or areas of improvement. Executive sponsors and allies drive impact throughout our business, striving towards progress and change to ensure inclusivity for all.

In February we celebrated the UN International Day of Women and Girls in Science alongside our own inspiring women. We are proud of our colleagues and shared their stories about what a career in science, tech, engineering, and maths has brought them.

In February we celebrated the UN International Day of Women and Girls in Science alongside our own inspiring women. We are proud of our colleagues and shared their stories about what a career in science, tech, engineering, and maths has brought them.

Our Learning Week in March provided a chance to celebrate International Women's Day together. Our theme was Celebrate the Other Perspective. We had a live kick off for all colleagues, regardless of how they identify. During the day, activities were organised to strengthen networks, align with female colleagues and build capabilities. This was followed in June by International Women in Engineering Day, celebrating the work of our female engineering heroes around the world in Enhancing Society Together.

We are committed to decreasing the gender pay gap and are proud of the progress we have made towards gender pay equality. Reporting for the United Kingdom is available in our UK Gender Pay Gap Report which reflects our progress. We will continue to build on this for the United Kingdom and for our company in general.

On South Africa's Heritage Day in September, our Netherlands Airport Consultants (NACO) team hosted Girls in Aviation Day 2022 in South Africa together with Women in Aviation ERAU-worldwide chapter. The free training programme developed by the team introduced girls aged 10 to 12 to the possibilities available in a career in aviation.

Working with the Refugee Talent Hub, we set up the Women's Mentoring Program. A number of enthusiastic female colleagues completed a workshop on how to be a mentor and have been matched with female refugees to provide help with formulating career goals, creating concrete next steps, improving CVs and LinkedIn profiles, and preparing for possible job interviews. The six-month journey between mentor and mentee began with a kick-off event in Amersfoort in September.

Well-being at work

We have a responsibility to provide a good working environment where our people feel comfortable and cared for. Colleagues need to understand where we are going and how they can develop. However, uncertainties, ongoing effects of the pandemic, rising prices, work pressure and personal difficulties can take their toll on any of us. If we are not feeling OK, it's so much harder to achieve our goals in life or do our jobs to our best abilities. Therefore, we support the call from the World Health Organisation to make mental health and well-being for all a global priority

We have been planning a follow-up event to the Speak Up Awareness Day held in November 2021. This will take place early in 2023 and builds on our drive to develop an environment of psychological comfort and safety where everyone can bring their true selves to work.

During our Work Stress Week in mid-November we focused on mental well-being and work-related stress. In collaboration with experts from our professional health & safety network, we developed three inspirational workshops facilitated by external experts which were available to all our colleagues around the globe. Additional LinkedIn training and E-learning about mental health and well-being are available in our digital learning platform and we created factsheets for colleagues with an overview of services and tips in case of mental well-being or work stress-related issues.

We want everyone visiting our offices to feel at home. For this reason, we started a pilot introducing non-gendered bathrooms for our colleagues in the Netherlands. The creation of these toilets was an initiative of our Royal HaskoningDHV Pride Network. In this way we took another step towards a more inclusive organisation.

Giving Back

People working at Royal HaskoningDHV want to make a real difference in the world. Our employees contribute their own time, individual expertise and private money on initiatives and through the BriTE Foundation. The BriTE Foundation delivers small-scale charity projects for people and planet.

You can read more about how our people make a positive impact on society through our website.

In March 2022, the BrITE Foundation donated 50,000 euros to UN Refugee Agency UNHCR in support of the Ukrainian refugees following the Russian invasion.

In Australia, BrITE supported the Disabled Surfers Association (DSA) Sydney which aims to help hundreds of people with disabilities back into the water.

In 2022, our employees sourced 80 used defibrillators (AEDs) from a renovation project in the Netherlands. After extensive checks and fixes to ensure defibrillators were functioning properly, these were donated to paramedics and medical staff throughout Ukraine.

Health and Safety

Health and safety is a core theme for our company, identified in our purpose to Enhance Society Together. We proactively demonstrate safety in design, operation and practice and manage hazards to prevent harm to human health and well-being. This approach is embedded in the products and solutions we offer to our clients and is treated with similar importance within our operations.

We are committed to the highest standards of health and safety across our operations for employees, visitors, contractors, sub-contractors and partners. Our vision and policies are part of our Integrated Management System. They are implemented through our processes and procedures to ensure we maintain and continuously improve a healthy and safe working environment. Our practices comply with the international standard on Occupational Health and Safety Management ISO 45001:2018 for which our certification was renewed in 2022.

Health and Safety	2022	2021
Lost time injury frequency (LTIF) per 200,000 workable hours	0.02	0.05
Total recordable case frequency (TRCF) per 200,000 workable hours	1.55	1.05
Accident and incident reports	95	82

Our targets to prevent accidents were met in 2022 with zero fatalities and a lost time injury frequency of less than 0.11. During the year, 95 accident and incident reports were submitted (2021: 82). The rise in reported accidents and incidents could be attributed to increased awareness about reporting and that employees spent more time working on site and in offices following relaxation of most official working from home requirements connected to Covid-19.

From these reports, 64 related to accidents and incidents involving employees (2021: 41) where 35 of these occurred at an office location, 11 at out-of-office locations and 18 were traffic related. In total 1 accident resulting in at least one day off work was recorded in 2022 (2021: 2). In 2021, we reported 40 accidents and incidents involving employees, out of which 2 were traffic related. The total number of accidents and incidents is adjusted to 41 due to a reclassification of a commuting incident to a traffic accident, related to business travel.

Lost time injury frequency (LTIF) per 200,000 workable hours in 2022 was 0.02 (2021: 0.05). This is a decrease in the LTIF compared to 2021, and well below the 0.11 target. With employees working in offices and on site more than last year, the fact that this did not lead to more lost time injuries is a positive result. LTIF is calculated with the total number of lost time injuries (resulting in at least one day of absence) in a certain time period, divided by the total number of hours worked in that period, and then multiplied by 200,000.

Total recordable case frequency (TRCF) per 200,000 workable hours during 2022 was 1.55. This increased compared to 2021 (1.05) and is likely to relate to the factors described above.

In our aim to increase the maturity of our health and safety culture, we met our target to reach level 3 certification on the Safety Culture Ladder in the Netherlands. This was achieved in November after external audits. It demonstrates we further embedded consciously safe working, designing and advising in our culture and employee behaviour. Also in the Netherlands, teams who are active in the rail sector continued their level 4 certificate of the Safety Culture Ladder.

From left to right: Sjouke Boonstra (Royal HaskoningDHV), Luc Maassen (Royal HaskoningDHV), Sandra Kraijo (independent auditor NCI), Erik van Emst (independent auditor NCI), Nadine Aarts (Royal HaskoningDHV).

Integrity and Ethical Performance

Integrity is intrinsic to who we are: acting ethically is our primary aim. We operate globally in diverse cultural contexts and conduct business dealings with transparency, respecting laws and customs in our operations and work environments while adhering to our own standards as well.

We believe that integrity starts by setting a common set of expectations and by having an open and honest culture. We communicate our policies to our employees and business partners through the Global Code of Business Principles, the Compliance Integrity Management System and the Compliance Programme. Read more on our website.

Integrity and compliance in our operations

Our integrity policy is embedded throughout the company. Our Compliance Integrity Management System has been continuously audited and certified since 2010. We have a zero-tolerance approach to bribery and corruption and aim to meet and surpass international best practice standards in anti-corruption compliance and business ethics. To that end, we are compliant to international ISO standards and have been assessed and certified as meeting the ISO 37001 standard for our Anti Bribery Management System as well as meeting the ISO 37301 standard for our Compliance Integrity Management System.

We focus on a compliance topic for ethical behaviour via a mandatory e-learning. In 2022 this addressed respectful workplace behaviour and was attended by 93% of our employees during the year. The e-learning included the four stages of psychological safety. Other topics discussed grey areas (such as banter) and how to speak up. We believe that a psychologically safe working environment is key to ethical behaviour and to encourage speaking up when seeing behaviour that does not fit our values.

In 2022, we considered ethical dilemmas in dilemma sessions, focusing on real work situations which could happen to anyone. We organized 12 dilemma sessions throughout the year, one of which was offered directly to the members of the extended executive council. Colleagues explored possible options and why everyone might not respond in the same way. The interactive sessions stimulated awareness of integrity, openness and transparency through dilemmas covering topics such as equality, diversity and inclusion, speaking up, differences of opinion where there is an imbalance in power or seniority, and controversial projects.

All new clients are assessed by an internationally reputed information provider to give insight into our value chain. The third-party assessment includes, among other things, a review of the ultimate beneficial owners, directors and any media exposure.

Incidents

In 2022, 169 integrity issues and concerns were registered, compared to 130 in 2021. As a company dedicated to integrity and transparency, we welcome the increase in the reported cases. For us this means that our employees are aware of the procedures and policies in our company, and they support our efforts to promote integrity in our operations. Out of the 169 cases in 2022, 5 cases were considered high-risk compliance issues. After investigation, 3 cases resulted in a breach of our Global Code of Business Principles. Characteristics of the reported issues and concerns included unwelcome workplace behaviour, discussions about working in controversial countries, human rights in a particular country, and involvement in publicly disputed projects. All issues were investigated, discussed and, when appropriate, mitigating measures were taken.

UN Global Compact

In 2022 we continued supporting the 10 Principles on human rights, labour, environment and anti-corruption developed by the UN Global Compact (UNGC). The UNGC asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption. Royal HaskoningDHV has been a partner of the UNGC since 2008. The 10 Principles are an integral part of our daily operations, incorporated into the Global Code of Business Principles for our people, partners and suppliers. Furthermore, we show our commitment to the UNGC principles in tenders, offers and project selection processes and by communicating our progress in implementing the principles.

Security and Privacy

Security

As a knowledge-centric company, we recognise the importance of information security to protect the interests of our clients, employees, our company and other stakeholders. In a world of ever-increasing cyber threats, information security is critical.

The information we handle at Royal HaskoningDHV includes that which is entrusted to us by clients and other third parties, project information, and company information like intellectual property, employee details and financial information.

Not only do we need to protect our internal systems and data to keep our business processes going, more and more IT services are becoming the primary business themselves. Information security is increasingly a business driver, especially for digital services that have a tangible impact on the physical world around us.

Our information and privacy protection strategy is centred around our Information Security Management System (ISMS), based on the international ISO/IEC 27001 standard. We renewed our certification to ISO 27001 in 2022, having first obtained it in 2019. Furthermore, we maintain the UK National Cyber Security Centre's (NCSC) Cyber Essentials and Cyber Essentials Plus certifications. Cyber Essentials Plus is the highest level of certification offered under this scheme and is required when bidding for contracts which involve handling certain sensitive and personal information. Both certifications were renewed in 2022.

Security governance is of the highest importance for us, and we take great reassurance and confidence in our security practices. Our clients are becoming increasingly aware of security and privacy concerns and demand specific solutions for their security requirements. Internationally renowned certifications like ISO 27001 and Cyber Essentials guarantee the quality of our security systems and give us a competitive advantage in bids and tenders.

We only work with ICT vendors and suppliers that have a robust level of security in place. To test the security of our own, and our suppliers' systems, we have expanded the pen tests and risk assessments programme we periodically undertake on critical systems. With our increased focus on delivering digital products, we have expanded our identity and access management platform, Smart Society. It allows secure and privacy-centred provision of our digital services.

In 2022, we invested heavily in new technology around cyber security. With these new products we made big steps in our transformation from a reactive to a proactive security operation. This is a direct result of the Zero Trust philosophy adopted a few years ago. Despite the automated, real-time response that comes with state-of-the-art technology, an important human factor still exists for maintaining a healthy security posture. Therefore, we expanded our Security Operations Centre (SOC) team's efforts to continuously evaluate potential incidents, and proactively hunt for threats.

We closely monitor cyber threats resulting from cybersecurity developments worldwide. Based on advisories and threat intelligence provided by official bodies like the NCSC, we carry out a risk analysis on emerging threats and the potential impact for our company and the digital services we deliver to clients. No material impact emerged from these threats.

An important axis in cyber defence is making our people aware of cyber threats, like phishing and business email compromise. In 2022, we continued our awareness campaign, culminating in the annual Cyber Awareness month which focused on security hygiene.

Privacy

Royal HaskoningDHV deals with personal identifiable information, such as our employee data. We are dedicated to protecting the privacy of individuals and are committed to privacy legislation such as the General Data Protection Regulation (GDPR), Data Protection Act 2018 and Protection of Personal Information Act (POPI Act).

Quality and Sustainability in our Products and Services

We ensure the quality of our products and services by adhering to international standards and recognised practices in quality management. These are incorporated into the way we conduct our work through the Integrated Management System (IMS).

As well as defining common working practices in our global operations, the IMS helps us track and manage risks and opportunities in all the projects we deliver to clients. By following a consistent approach, we ensure our high-quality standards are met. The IMS covers:

- quality, health & safety and environment,
- integrity,
- business continuity,
- knowledge management,
- information security, data privacy,
- and our business principles.

We are constantly developing our working practices and processes to further improve project quality and delivery for our clients which in turn helps us meet our business objectives. In 2022 we updated our project management, design and engineering processes. We integrated and harmonised service delivery processes across our five business lines to improve comparability and consistency of projects in different sectors. Our stakeholders benefit from our improved internal processes and enhanced serviced delivery.

Aligning with globally accepted international standards is important to us. Our IMS is therefore based on and certified against international standards on Quality management (ISO 9001), Environmental management (ISO 14001), Information management using building information modelling (ISO 19650), Anti-bribery management (ISO 37001), Compliance management (ISO 37301) and Occupational Health & Safety management (ISO 45001).

Renewing the validity of certifications is part of our ongoing work. In 2022, our Corporate Quality, Health, Safety and Environment(QHSE) department conducted internal QHSE audits in all our business lines and in 35 of our offices, supported by our global network of independent internal auditors. External QHSE audits were conducted by DNV in the Netherlands, Nigeria, Thailand, the United Kingdom and Vietnam. As a result of these audits, our ISO 9001:2015 (Quality), ISO 14001:2015 (Environment) and ISO 45001:2018 (Occupational Health and Safety) certificates were renewed to September 2025.

In 2022 external Integrity & Compliance audits in Mozambique, the Netherlands and Vietnam extending the validity of our ISO 37001:2016 (Anti-bribery) and ISO 37301:2021 (Compliance) certificates until November 2023. We are also proud to have received the Gold rating from EcoVadis, the world's largest and most trusted provider of business sustainability ratings, The EcoVadis assessment is an evaluation of how well a company has integrated the principles of Sustainability/CSR into their business and management system. The assessment includes environment, labour practices & human rights, fair business practices, anti-corruption and sustainable procurement.

Client Satisfaction

Client satisfaction is an important indicator of our performance as a company. We measure this in various ways, including via satisfaction surveys on completion of a project. In the survey, clients provide us with a rating score for Enhancing Society Together. The majority of our clients rates us good or very good on the delivery of our brand promise Enhancing Society Together. In 2022, this resulted in an average Enhancing Society Together score of 7.5 on a scale from 0 to 10.

Enhancing Society Together (EST) Score	2022	2021	2020
Score	7.5	7.6	7.5

Building Information Modelling

In 2022, we continued our certification against the requirements of the Building Information Modelling (BIM) capability and ISO 19650 in six countries. ISO 19650 is the international standard for managing digital information throughout the life cycle of built assets and construction projects of all sizes and levels of complexity. The certification demonstrates we can provide clients with better solutions, faster delivery times, improved risk management, better sustainability, and that we are committed to use a standard approach to define, create, validate, and share project information.

All our global certificates can be viewed and downloaded from our website.

Outlook

We notice the uncertainty in the markets we operate in is increasing. Several global developments continue to create a tough business environment. It is not easy to predict how the developments will play out for our clients and for our company. However, more than 140 years of experience gives us confidence that we can weather any storm. Our focus on our strategy, Stronger25, and our Global Leading Markets help us concentrate on what is significant. Our purpose, Enhancing Society Together, guides us towards the areas where we can make the most impact.

Maintaining financial sustainability, while realising opportunities

We are confident that our growth rate will continue in 2023. It is our ambition to improve our profitability as well. Despite the economic uncertainty, high inflation, and geopolitical tensions, the outlook for our financial performance remains positive. Looking at the group's current liquidity and solvency as well as the forecast stable operating cash flow, Royal HaskoningDHV's financial position is very healthy and strong. We have long standing relationships with our clients. Over the past years, there has been an increasing call for sustainable solutions, driven by legislation, political leaders, organisations and companies, including larger investments and more demand for projects with sustainable profiles. The climate transition, investments in emissions reduction and phasing out the fossil economy in the future is creating a substantial long-term opportunity and demand for our services.

Using our expertise in engineering, environment, energy, industry, building, mobility, transport, maritime and water supported by the accelerating digitalisation and technology we can develop solutions in many areas. Our continuing investments in our digital and consultancy capabilities, our domain expertise and recent acquisitions enable us to be a trusted partner for our clients.

Our people are working hard to support existing and new clients with their challenges. With increased operating costs and the status of the economy, we will continue to focus on our pricing strategy to ensure it reflects the market. We will be looking critically at our operations to identify areas where efficiency and digitisation can make our work simpler. In this way, we can support our company by reducing costs and help our people focus on what they do best: use their knowledge and expertise to address the challenges faced across our society and the environment.

Being an employer of choice for existing and new employees

We believe that our purpose brings a sense of direction and belonging which is attractive and motivating for our people. We are a "people first" company. Our employees have shown us that they are happy to work for Royal HaskoningDHV. We will continue our investments in talent development and training in key areas of our business – such as project management, digital capabilities and the Energy Academy. At the same time, attracting new talent will be key to ensuring our growth continues as a company. This will remain a priority in 2023. We want to ensure everybody feels welcome and valued at work by safeguarding and - where needed - improving diversity, equality, and inclusiveness. In 2023, we will set diversity targets across the organisation.

Company portfolio

Related to our company portfolio, there is one change in 2023 and one intended change.

Our Canada and US-based consultancy firm InterVISTAS becomes an employee-owned company following a buyout from Royal HaskoningDHV. The separation from Royal HaskoningDHV took place on 1 March 2023 and will allow InterVISTAS the flexibility and freedom to pursue business and opportunities to execute its 2023-2027 strategic plan. Royal HaskoningDHV and InterVISTAS continue their collaboration as trusted partners on strategic projects.

There is a joint intention for the South African operation to become a local company, majority owned by management and employees in 2023. This will give them flexibility and independence to acquire work in profitable South African market segments that are not in the focus of our Stronger25 strategy. At the same time, it will improve their Broad-Based Black Economic Empowerment status which is needed to secure work in the public sector. Royal HaskoningDHV and the South African operation will continue their fruitful collaboration on strategic projects and the Global Leading Markets of Royal HaskoningDHV. Royal HaskoningDHV will maintain a minority share for at least 3 years.

Enhancing Society Together

Impact at scale can only be achieved through the work we do for our clients. Our purpose remains at the core of all our actions in 2023. The Purpose Matrix – which measures our contribution to society in five key areas - was launched last year. In 2023 we will start collecting the data and act on the insights. We will also extend the use of the matrix to guide us in measuring and improving our contribution to society.

Amersfoort, the Netherlands
March 16, 2023

Executive Board

Erik Oostwegel (CEO)
Jasper de Wit (CFO)
Marije Hulshof

Supervisory Board Report

Introduction

The Supervisory Board is pleased to present Royal HaskoningDHV's 2022 Annual and Sustainability Report, as prepared by the Executive Board.

2022 was a challenging year. Soaring energy costs arising from the war in Ukraine fed into rapid inflation and economic uncertainty. This came on top of a fragile business environment in the aftermath of the pandemic. A widespread shortage of resources, also stemming from Covid, is changing logistic patterns. Supply chains are being reviewed globally to reduce dependence on single regions and spread risk. The shortage of resources includes talent which is an issue that we expect will remain significant in years ahead. The inflation inevitably creates challenges and we support the one-off payment to employee salaries in 2022.

In this complex environment, we recognise the continued effort and loyalty shown by Royal HaskoningDHV's employees and management in the past year. The organisation performed well in most areas and has shown significant growth in its global leading markets. The digital side of the business continues to offer good potential albeit at significant investment costs in 2022 which will require further attention moving forward. We also support the steps taken to refine the digital strategy and clarify the proposition made to customers through the launch of the Twinn brand. Furthermore, we are keen to see further alignment of the company's financial performance with its peers.

Royal HaskoningDHV has the vision, values and capability to provide resilient and sustainable solutions for the challenges facing society in areas including climate change, the energy transition and many more. The Supervisory Board was pleased with the launch and execution of the Stronger25 strategy in 2022. The company's purpose: "Enhancing Society Together" forms the core of the Stronger25 strategy recognising the global challenges arising from climate change while aligning with key Sustainable Development Goals. The clear definition of purpose for an organisation drives its value. It is a powerful differentiator for clients, stakeholders and for employees – new and existing. The introduction in 2022 of the Purpose Matrix to evaluate and measure the impact will increase the value that Royal HaskoningDHV can offer to its clients, partners, stakeholders and employees. How the company positions itself to capture and make the most of these opportunities is key. Impact requires focus on where the company can really make the difference.

It also needs to be noted that due to a range of causes financial performance was below plan. Profit empowers the company to achieve its ambitions and it is essential for the company to grow and build competence in technologies that are vital for a sustainable future. As a board, we are confident that the profit and sustainability outcomes defined in the Stronger25 strategy are key to the organisation's success.

To ensure and support a successful Stronger25 strategy execution, the Supervisory Board was pleased to appoint Marije Hulshof in July 2022 as a third member of the Executive Board. The setup of the Stronger25 Office with as focus to centralise and accelerate all the different initiatives relating to the Stronger25 strategy within the company will be pivotal for the successful execution of the strategy. As a Supervisory Board, we are confident that the various goals and targets as defined in the Stronger25 strategy are key to the organisation's success. We are keen to see maximum focus and attention on achieving Stronger25 targets as originally designed.

Good governance rests on cooperation and open communication between the Supervisory Board, management, the shareholders as well as the (Dutch) Works Council. Robust debate during the year confirmed the strength of consultation systems which deliver increased insight and are an important success factor in decision making. We would like to thank Tjalling Tiemstra who retired from the board in 2022 after completing the statutory maximum term. Over an eight-year period, he made a valuable contribution to the continued growth and good results of the company. In turn, we welcomed his successor, Rob Zandbergen.

The 2022 Financial Statements are prepared by the Executive Board and have been audited by PricewaterhouseCoopers Accountants N.V. (its report can be found in section ["Other Information"]. The 2022 Financial Statements have been approved and signed by all members of the Executive Board and the Supervisory Board on 16 March 2023. We recommend to the shareholders that they adopt the 2022 Financial Statements and that the Executive Board is granted discharge with respect to its management as well as the Supervisory Board for its supervision during the financial year 2022. Given the 2022 result, we support the proposal of the Executive Board to pay a dividend of €1.33 per share.

Our thanks to the Executive Board, the Executive Council and to every employee for their hard work in 2022. We are grateful to all our clients for their business and look forward to working with all our stakeholders to deliver positive impact for clients, society and the organisation in 2023.

Amersfoort, the Netherlands
March 16, 2023

Supervisory Board

P.M.M. (Peter) Blauwhoff (Chairman)
A.M. (Angelique) Paulussen-Hoogakker
F.C.M. (Francine) Roelofsen-van Dierendonck
D.A. (Daan) Sperling (Vice-Chairman)
R. (Rob) Zandbergen

Supervisory Board Meetings

The Supervisory Board convenes regularly to monitor corporate performance and developments and actively supervise the Executive Board. Additional Supervisory Board meetings are scheduled if and when required to discuss strategic, transactional and governance matters that arise. The Supervisory Board attaches great value to the attendance of its meetings by all of its members and we are pleased to report that all members of the Supervisory Board attended the regular meetings. The company's Executive Board is invited to the Supervisory Board meetings. Senior management is regularly invited to attend to provide updates on specific topics.

In 2022, the Supervisory Board held 4 regular scheduled meetings that were attended by the Supervisory Board and the Executive Board. Topics discussed in 2022 included the half-year and year-end results, the implementation and execution of our Stronger25 strategy, Enhancing Society Together" and sustainability as well as the M&A Strategy. The latter included discussion on and approval of the acquisition of the Districon group of companies, increasing our participation in Hydroinformatics Institute Ltd. (H2i) from 67% to 75%, acquisition of the patent of the HpH digestion technology (Helea) and we entered into an agreement with the aim of taking a participation of 20% of the shares in Studio IN-EX Zrt . Furthermore, meetings addressed oversight of the company's financial performance, annual plan, a review of the risk framework, integrity/compliance, incidents/accidents, succession planning, culture, staff engagement and staff retention. Further ad hoc Supervisory Board meetings were convened if and when required to discuss strategic, transactional and governance matters that arose.

Based on the strategic priorities of Royal HaskoningDHV, several matters were discussed in Deep Dive session, allowing in-depth review and discussion on a particular topic. Deep Dives on the Digital& Software strategy were held in July and October 2022. The Supervisory Board deliberated on the growth opportunities arising from technology shifts in key global leading markets and the digital roadmap of Royal HaskoningDHV to support this. Key drivers of growth were investigated in further detail with discussions on investment requirements and the return on investment. The Supervisory Board supports the Digital & Software strategy and is confident that Royal HaskoningDHV is well-positioned to make the digital transformation shift, albeit that the financial performance of this area requires continued attention.

A delegation of the Supervisory Board was pleased to attend project visits to: (i) the sewage treatment plant (RWZI- Rioolwaterzuiveringsinstallatie) (Nereda) in Utrecht on 8 July 2022, and (ii) the Datacenter Equinix in Amsterdam on the 9th of September 2022. Both project visits were very insightful and highly appreciated by the members of the Supervisory Board.

In addition to the regular Supervisory Board meetings, informal meetings between the members of the Supervisory Board and the Executive Board took place. Every month there have been bilateral meetings between the Chairman of the Supervisory Board and the CEO. Furthermore, a delegation of the Supervisory Board participated in meetings with the Dutch Works Council and with the Boards of Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV.

Collaboration with the Works Council

Various delegations of the Supervisory Board met several times with the Dutch Works Council to discuss the general course of events and the developments within the company in an open and constructive dialogue. The quality, content and outcome of these meetings is highly appreciated by the Supervisory Board.

Committees

The Supervisory Board has two committees: the Audit Committee and the Remuneration and Appointment Committee.

Audit Committee

The Audit Committee (the "AC") supports the Supervisory Board in fulfilling its oversight responsibilities in relation to the integrity of our financial reporting and the effectiveness of the risk management and internal control systems.

In 2022, the AC consisted of Rob Zandbergen (Chairman) Daan Sperling and Tjalling Tiemstra (who stepped down at the AGM in 2022).

The AC convened on five occasions with the company's management. The AC also met with the internal and external independent auditors without the presence of management.

In 2022, the AC reviewed the annual and interim financial statements, including non-financial information, the quarterly financial results and extended business analysis, as well as the outcomes of the year-end audits. Topics on the agenda were the financial statements, the annual plan, cash management and working capital, refinancing, tax policies, pensions, risk management and developments in ICT and ICT security. In addition, the internal and external auditor's audit plan and audit report and the external auditor's management letter were discussed. Furthermore, the evaluation of the external auditor was discussed, including the external auditor's independence.

Remuneration and Appointment Committee

The Remuneration and Appointment Committee (the "REMCO") consists of Francine Roelofsen-van Dierendonck (Chair), Peter Blauwhoff and Angelique Paulussen-Hoogakker. The REMCO advises the Supervisory Board in relation to its responsibilities with respect to (i) the remuneration, and the composition of the Executive Board and the Supervisory Board, and (ii) monitoring developments concerning corporate governance. In 2022, the committee convened on five occasions for scheduled meetings. Topics on the agenda were the succession and talent management, the remuneration of the Executive Board, inclusion and diversity, culture change and the extension of the Executive Board to three members. An execution plan to achieve the gender diversity targets to be set on all levels, is in preparationwith the Executive Board. In addition, the REMCO met with several senior leaders in the company. Furthermore, the REMCO worked in in close consultation with the Works Council on the succession of Angelique Paulussen-Hoogakker who will step down at the end of her second term at the Annual General Meeting in 2023.

Evaluation of the Supervisory Board

Regular evaluation of the Supervisory Board is performed via a self-assessment. Once every three years the assessment and evaluation is performed by an external advisor. An external advisor was engaged in 2021. In 2022 the evaluation of the Supervisory Board and its committees was performed by means of a self-assessment, consisting of a written survey, followed by one-on-one meetings between the Chairman and individual Supervisory Board members. Furthermore, the Vice-Chairman interacted with all Supervisory Board members to assess the performance of the Chairman. The outcome of the evaluation is presented to the Supervisory Board. The internal evaluation over last year's performance of the Supervisory Board concluded that the Supervisory Board overall functioned well. Action points and improvement areas based on the evaluation are agreed among the Supervisory Board members. The main findings of the self-evaluation are discussed with the Executive Board.

Profile and composition of the Supervisory Board

The Supervisory Board consisted of five members. Its members possess the desired competencies in accordance with the profile of the Supervisory Board and are independent in the performance of their duties and responsibilities. The Supervisory Board continuously monitors the profile and composition of the Board, continuously striving for a diverse and balanced composition of the Supervisory Board in accordance with the latest governance requirements and regulations.

In 2022's Annual General Meeting (AGM), Rob Zandbergen was appointed for a term of four years succeeding Tjalling Tiemstra Following the reappointment and resignation rules of the Supervisory Board, the appointment terms of Angelique Paulussen-Hoogakker and Peter Blauwhoff will expire in 2023. After having served eight years on the Supervisory Board, Peter Blauwhoff's term as Chairman of the Supervisory Board is set to expire in 2023. For continuity, Peter Blauwhoff has informed the Supervisory Board and the Boards of the two shareholders (Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV) that he is available for reappointment per the 2023 AGM for a period of one year. The Supervisory Board has started the process for the succession of Angelique Paulussen-Hoogakker in close consultation with the Works Council.

Diversity

The Supervisory Board consisted of two female and three male members in 2022, all of whom are of Dutch nationality. The Supervisory Board continues to strive and achieve a balanced composition of both the Executive and the Supervisory Board in terms of gender, knowledge, experience, and background.

Remuneration Report

Adoption of remuneration policy

The Supervisory Board approved the remuneration policy for the Executive Board of Royal HaskoningDHV based on a proposal of the Remuneration and Appointment Committee. The remuneration policy was adopted by the AGM in 2020. The policy is designed to be able to attract, reward, incentivise and retain qualified and expert individuals that the company needs to achieve its strategic objectives. The remuneration policy provides for a fixed component and a variable component (short-term incentive). The company does not operate a long-term incentive scheme.

Remuneration principles

The current remuneration of the Executive Board is based on a comparative study done in 2019 by an independent firm specialising in executive remuneration, on the basis of remuneration in peer companies, that is companies operating in a comparable (international) market with a roughly similar risk profile and size as Royal HaskoningDHV. The Supervisory Board evaluated the remuneration package of the Executive Board. Compensation is benchmarked by using the median of the relevant reference market for Royal HaskoningDHV. The elements of compensation that are taken into account include base salary and the short-term incentive. Furthermore, the ratio between the total remuneration of the Executive Board relative to the average remuneration in the company, is taken into consideration. The Supervisory Board will evaluate the remuneration package of the three headed Executive Board based on an update of this study in Q1 2023. A retroactive adjustment in salary to our third board member may be expected in 2023.

Fixed remuneration component

The Supervisory Board of Royal HaskoningDHV aims to offer its Executive Board a fixed remuneration component targeted at approximately median level of the relevant reference market for Royal HaskoningDHV.

Variable remuneration component

The Supervisory Board determines the variable remuneration component for the members of the Executive Board. As mentioned, Royal HaskoningDHV only provides for a short-term incentive, not a long term incentive scheme. The variable component is based on the overall performance of the company, whereby this variable component is challenging, but not beyond reach. The performance criteria for the variable pay of the Executive Board members are aligned with the strategic objectives of the company and include both financial (new business revenue, EBITA, overhead costs) as non-financial metrics (employee engagement, score on sustainability and social targets as part of Enhancing Society Together and digital maturity).

The variable remuneration for the Executive Board is intended to drive the pursuit of Royal HaskoningDHV's objectives. The maximum annual variable remuneration component amounts to 40% of the gross fixed remuneration. The variable income is, as a standard, payable in depositary receipts until the maximum holding (which is the same for all employees) is achieved.

The Supervisory Board has verified and is comfortable with the potential pay-out of the variable remuneration component for various scenarios as prescribed by the Netherlands Corporate Governance Code.

Pensions and risk premium

Pursuant to the policy applicable to all staff members in the Netherlands, the company contributes to the cost of pension and the premium for partner pensions and disability. Equally, the members of the Executive Board are compensated for the reduction of the maximum pension accrual pursuant to the Reduction of Maximum Pension Accrual and Contribution Rates and Maximum Pensionable Income Act (Wet verlaging maximumopbouw- en premiepercentages pensioen en maximering pensioengevend inkomen) (Witteveen Framework 2015).

Severance pay

In the event of termination of the employment contract on Royal HaskoningDHV's initiative, a member of the Executive Board is entitled to a severance payment of one year's gross fixed annual remuneration. There is no right to the severance payment if the contract is being terminated due to urgent cause or serious culpability.

Sundry

Royal HaskoningDHV offers the members of its Executive Board a package of secondary employment benefits in accordance with those offered to other staff. The benefit package includes disability insurance, a company car and a Director's Liability insurance. The company does not issue loans, advance payments or guarantees to the members of its Executive Board.

Remuneration Report 2022

Fixed income component

The Supervisory Board decided, within the remuneration policy adopted by the Annual General Meeting in 2020 and based on the outcome of the benchmark to increase the fixed remuneration of the Executive Board members in 2 approximately equal steps in 2021 and 2022. No further inflation correction was applied.

Variable income component

According to the remuneration policy adopted by the Annual General Meeting, the maximum variable income amounts to a maximum of 40% of the fixed annual remuneration. No other exceptional remuneration was paid to the members of the Executive Board in 2022.

The ratio of the combined remuneration of the Executive Board relative to the average of Royal HaskoningDHV (Netherlands staff) for 2022 is 6.9 (2021: 7.1), with the CEO at 8.1 (2021: 8.3), the CFO at 6.3 (2021: 6.0) and Marije Hulshof at 5.7.

The REMCO has been informed about the remuneration packages for Global Directors and Corporate Directors and is confident that remuneration across the top management structure of the company is consistent.

For further information regarding the remuneration, we refer to the Notes to the Consolidated Financial Statements.

Consolidated Financial Statements

Consolidated Balance Sheet at December 31, 2022

Before profit appropriation *€ thousands*

Assets	Note	31-12-2022	31-12-2021
Fixed assets			
Intangible fixed assets	4	32,069	29,236
Tangible fixed assets	5	21,510	10,828
Financial fixed assets	6	10,640	16,831
		64,219	**56,895**
Current assets			
Work in progress	7	81,913	68,556
Receivables	8	158,950	131,331
Cash and cash equivalents	9	146,669	174,275
		387,532	**374,162**
Total assets		**451,751**	**431,057**

Group equity & liabilities	Note	31-12-2022	31-12-2021
Group equity			
Shareholders' equity	10	209,743	189,575
Minority interest	11	87	98
		209,830	**189,673**
Liabilities			
Provisions	12	20,091	29,453
Non-current liabilities	13	2,828	3,286
Current liabilities	14	219,002	208,645
Total Group equity & liabilities		**451,751**	**431,057**

Consolidated Income Statement for the year 2022

€ thousands

	Note	2022	2021
Net turnover	17	**698,810**	**619,277**
Other operating income		-	-
Total operating income		**698,810**	**619,277**
Costs of work subcontracted and other external expenses		139,797	118,105
Salaries and wages	18	323,826	289,923
Social security & pension charges	18	77,263	68,284
Depreciation and amortisation on tangible and intangible fixed assets	4, 5	13,647	11,563
Impairment of intangible fixed assets	4	-	3,048
Other operating expenses	20	124,326	106,911
Total operating expenses		**678,859**	**597,834**
Operating result		**19,951**	**21,443**
Interest income		775	335
Interest expenses		(728)	(874)
Net interest expenses		47	(539)
Result from ordinary activities before tax		**19,998**	**20,904**
Corporate income tax	21	(6,238)	(7,158)
Share of result of participating interests		30	1,586
Result after tax		**13,790**	**15,332**
Minority interest		(57)	(172)
Net result		**13,733**	**15,160**

Consolidated Statement of Comprehensive Income for the year 2022

€ thousands

	Note	2022	2021
Consolidated net result after taxation		**13,790**	**15,332**
Translation differences on foreign participating interests	10	(1,446)	3,040
Remeasurement of defined benefit plan	10	6,409	6,039
Total of direct movements in Group equity		**4,963**	**9,079**
Total result of the Group		**18,753**	**24,411**

Consolidated Cash Flow Statement for the year 2022

€ thousands

	Note	2022	2021
Operating result		**19,951**	**21,443**
Adjusted for:			
Amortisation, depreciation and impairment	4, 5	13,647	14,611
Other value adjustments		(5)	(20)
Changes in provisions	6, 12	3,304	(880)
Work in progress	7, 14	(9,592)	5,540
Receivables	8	(24,076)	(4,898)
Current liabilities	14	3,199	(2,751)
Changes in working capital		(30,469)	(2,109)
Cash flows from business operations		**6,428**	**33,045**
Interest received		606	343
Dividends received	6	909	1,670
Interest paid		(818)	(828)
Income tax paid		(5,106)	(11,219)
Cash flow from operating activities		**2,019**	**23,011**
Investments in:			
Intangible fixed assets	4	(6,013)	(3,613)
Tangible fixed assets	5	(15,228)	(5,375)
Financial fixed assets	6	(405)	(273)
Acquisition of group companies	3	(9,338)	(3,991)
Disposals of assets:			
Intangible fixed assets	4	266	-
Tangible fixed assets	5	244	80
Financial fixed assets	6	8	3
Cash flow used in investing activities		**(30,466)**	**(13,169)**
Sale or (Purchase) of own shares	10	2,068	2,653
Repayment of borrowings	13	-	(101)
Proceeds from borrowings	14	216	-
Dividends paid to shareholders of the company	10	(596)	(409)
Dividends paid to holders of minority interests	11	(5)	(12)
Cash flow from financing activities		**1,683**	**2,131**
Net cash flow		**(26,764)**	**11,973**
Exchange rate and translation differences		(842)	2,218
Changes in cash and cash equivalents		**(27,606)**	**14,191**
Cash and cash equivalents at January 1		174,275	160,084
Movements during the year		(27,606)	14,191
Cash and cash equivalents at December 31		**146,669**	**174,275**

Notes to the Consolidated Financial Statements

1 General information and basis of preparation

1.1 Operations

Royal HaskoningDHV is an independent consultancy firm which integrates more than 140 years of engineering expertise with digital technologies and software solutions. Backed by the expertise and experience of more than 5,500 colleagues all over the world, our professionals combine global expertise with local knowledge to deliver a multidisciplinary range of consultancy services for the entire living environment.

By showing leadership in sustainable development and innovation, together with our clients, we are working to become part of the solution to a more sustainable society now and into the future.

1.2 Registered office & group structure

Koninklijke HaskoningDHV Groep B.V. having its legal address and corporate seat at Laan 1914 no. 35, 3818 EX Amersfoort, the Netherlands, is a private limited liability company under Dutch law and is listed under number 55525474 in the Trade Register. Koninklijke HaskoningDHV Groep B.V. has two shareholders: Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV. For details regarding the shareholding structure we refer to the Appendix. The activities of the company and its group companies consist mainly of: consultancy in the engineering, digital technologies and software solutions field.

These financial statements cover the year 2022, which ended at the balance sheet date of December 31, 2022.

1.3 Consolidation

The consolidation includes the financial information of Koninklijke HaskoningDHV Groep B.V., its group companies and other entities in which it exercises control. Group companies are entities in which Koninklijke HaskoningDHV Groep B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which Koninklijke HaskoningDHV Groep B.V. exercises control are consolidated in full. Minority interests in group equity and group results are disclosed separately.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint ventures are valued according to the equity method on the basis of net asset value. Joint ventures with a negative net asset value are valued at nil. If the Group fully or partially guarantees the debt of the joint venture, or has a constructive obligation to enable the joint venture to pay its debts (for its share therein), a provision is recognised accordingly.

In the consolidated financial statements, intragroup shareholdings, debts, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the Group and no impairment loss is applicable. For a transaction whereby the Group has a less than a 100% interest in the selling group company, the elimination from the Group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Since the income statement for 2022 of the Company is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

The main consolidated companies are listed below, stating the percentage of ownership. For a more extensive list of consolidated companies and participating interests we refer to the Appendix.

- HaskoningDHV Nederland B.V., Amersfoort, the Netherlands (100%)
- HaskoningDHV UK Holdings Ltd, Peterborough, United Kingdom (100%)
- Haskoning International B.V., Nijmegen, the Netherlands (100%)
- Stewart Scott International Holdings Pty Ltd., Johannesburg, South Africa (76.95%)

Furthermore, we have included DHV Education Foundation, Johannesburg, South Africa as a consolidated company, given the fact that we have control. In the company statements, DHV Education Foundation is not included.

1.4 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Group are considered a related party. In addition, statutory directors, other key management and the Supervisory Board of Koninklijke HaskoningDHV Groep B.V. (or the ultimate parent company) and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required to provide the true and fair view.

1.5 Acquisitions and disposals of group companies

Identifiable assets acquired and liabilities assumed in a business combination are recognised in the consolidated financial statements from the acquisition date, being the moment that control can be exercised in the acquired company.

The acquisition price consists of the cash consideration, or equivalent, agreed for acquiring the company plus any directly attributable expenses. If the acquisition price exceeds the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill under intangible fixed assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (i.e. negative goodwill) is recognised as deferred income under accruals or will be recognised in the income statement directly. The capitalised goodwill is amortised on a straight-line basis over the estimated useful life to the maximum of 20 years. An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. Such an adjustment will also result in an adjustment to (positive or negative) goodwill with retrospective effect.

Entities continue to be consolidated until they are sold; they are deconsolidated from the date that control ceases.

1.6 Recognise assets and liabilities

Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Group. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities. An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results.

When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment. An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction. If assets are recognised of which the Group does not have the legal ownership, this fact is being disclosed.

1.7 Notes to the cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

The consideration of acquired group companies is presented under the cash flows from investment activities, for the considerations paid in cash and cash equivalents. The cash and cash equivalents obtained through the acquired group companies at the acquisition date, are deducted from the consideration paid.

Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement. The payment of finance lease terms is allocated for the part related to the repayment of the lease obligation to the cash flows from financing activities and is allocated for the part related to the interest component to the cash flows from operational activities.

Cash flows from derivative financial instruments that are accounted for as fair value hedges or cash flow hedges, are classified in the same category as the cash flows from the hedged balance sheet items. Cash flows from derivative financial instruments whereby hedge accounting is no longer applied, are classified in accordance with the nature of the instrument, from the date at which hedge accounting is ended.

1.8 Estimates

The preparation of the financial statements requires the management to form judgements and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

In general, the judgements, estimates and assumptions are based on market information, knowledge, historical experience and other factors that management believes to be reasonable under the circumstances.

If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgements, including related assumptions, is disclosed in the notes to the relevant financial statement item.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions:

- Revenue recognition (see note 2.20);
- Goodwill (see note 2.6);
- Development costs capitalised (see note 2.6);
- Property development - Delft office (see note 2.7);
- Deferred tax assets (see note 2.8);
- Project valuation (see note 2.9);
- Receivables: provision for doubtful debts (see note 2.5);
- Provision defined benefit plan liabilities (UK Pensions) (see note 2.15);
- Provision for restructuring (see note 2.15);
- Provision for long-term employee benefits (see note 2.15);
- Other provisions (see note 2.15).

1.9 Events after balance sheet date

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. For details on subsequent events we refer to note 25.

Events that provide no further information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

2 Accounting policies for the balance sheet and income statement

2.1 General information

The consolidated financial statements have been prepared in accordance with the statutory provision of Part 9, Book 2 of the Dutch Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in the Netherlands.

Royal HaskoningDHV has drawn up these financial statements on the assumption of going concern.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

The 2021 numbers of the Group have been changed for comparison purposes in a few notes.

These changes are:

- Changes in Work in progress in the Consolidated income statement can no longer be presented on a separate line. This has now been included in Net turnover (effect 2021: -€4.4 million). This change effects the Key figures, Consolidated income statement and note 17 Net turnover per country, business line and delivered service;
- Note 19. Remuneration of the Executive Board decreased by €6 thousand in the 2021 figures. This is related to an adjustment in variable pay.

Assets and liabilities are recognised in the balance sheet when it is probable that the expected future economic benefits will flow to the Group and the cost or value can be measured with sufficient reliability. Income is recognised in the income statement when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets and liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate. Revenues are recognised using the percentage of completion method.

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.2 Changes in accounting principles

Revenue recognition - change with effect from January 1, 2022

The DASB has published two revised Guidelines; Guideline 221 construction contracts and Guideline 270 Profit and loss account. These new Guidelines are applicable for annual periods beginning on or after January 1, 2022.

The Group has taken notice of these new Guidelines and completed an impact assessment implementing these guidelines with regard to revenue recognition. Based on this assessment it was acknowledged that the Water Technology revenue recognition will be impacted by these new Guidelines. The Group concluded that there is no need to set up new or adjust existing processes and IT-systems or to improve the internal control of the processes and IT systems.

This new method for revenue recognition has been applied to agreements entered into or amended on or after January 1, 2022.

As of 2022, in accordance with the new revenue recognition standards, revenue from construction contracts that have not yet been completed are recognised under net turnover, instead of a separate line after net turnover in the profit and loss account. The comparative figures have been adjusted accordingly. This change in presentation has no impact on equity and the result for 2021.

Work in progress - change with effect from January 1, 2022

From 2022 reporting onwards it is no longer allowed to offset debit and credit balances for work in progress. Debit balances will be presented under current assets and credit balances under current liabilities.

This change has been applied to the 2021 numbers for comparison purposes. This resulted in a change on the balance sheet: €68.6 million moved from current liabilities to the line work in progress in the balance sheet (under current assets). The liability amount for work in progress in note 14 went up for the same amount (from €26,5 million to €95.1 million).

2.3 Changes in accounting estimates

Impairment of intangible fixed assets

For our Business Unit Software we have refined the calculation method of calculating the value in use for the impairment of goodwill.
We now consider 3 stages:

- Stage one is a short-term growth period that consists of the first five years: the explicit forecast;
- Stage two is a transition period from the short-term growth rate to the long-term growth rate which occurs over three years;
- And stage three is a long-term growth period that begins after eight years and continues in perpetuity.

For the Business Unit Software we have changed the calculation of the value in use from 5 to 8 years. This change in estimate would not have had a different conclusion on our value in use.

2.4 Foreign currencies

Functional currency

The consolidated financial statements are presented in euros, which is the functional and presentation currency of Koninklijke HaskoningDHV Groep B.V.

All amounts shown in the financial statements are in thousands of euros unless stated otherwise.

Transactions, receivables and debts

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in shareholders' equity as a component of the foreign currency translation reserve. If a foreign operation is fully or partially sold, the respective amount is transferred from this reserve to the income statement.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).
- All resulting exchange differences are recognised in shareholders' equity as a component of the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity as a component of the foreign currency translation reserve for the effective part of the hedge. The non-effective part is recognised as expenditure in the income statement.

2.5 Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract.

Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Receivables, loans granted and other receivables

Trade receivables are recognised at fair value and subsequently measured at amortised costs, net of any provision for doubtful debts. When a receivable is uncollectable, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the income statement.

Trade receivables should be provided for (provision for doubtful debts) when specific collection risks are identified, such as receivables disputed by the client, receivables that are included in an arbitration procedure or from clients in state of insolvency or bankruptcy etc. When a trade receivable is uncollectible, it is written off against the provision for doubtful debts. Provisions for receivables should not include VAT.

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

Derivatives

Derivatives are carried after their initial recognition at the lower of cost or market value, except if the cost model for hedge accounting is applied.

If the cost model for hedge accounting is applied for FX-derivatives, two components are taken into account:

- The profit or loss that is associated with the interest component in the value of the derivative (which is amortised on a linear basis during the tenor of the derivative) is recognised in the profit and loss account.
- The revaluation of the derivative instrument resulting from changes in the spot-rates takes place, as long as the derivative hedges the specific risk of a future transaction that is expected to take place. As soon as the expected future transaction leads to recognition in the profit and loss account, then the profit or loss that is associated with the derivative is recognised in the profit and loss account. If the hedged position of an expected future transaction leads to the recognition in the balance sheet of a non-financial asset or a non-financial liability, then the cost of the asset is adjusted by the hedge results that have not yet been recognised in the profit and loss account.

If forward exchange contracts are concluded to hedge monetary assets and liabilities in foreign currencies, cost hedge accounting is applied. This is done to ensure that the gains or losses arising from the translation of the monetary items recognised in the profit and loss account are offset by the changes in the value of forward exchange contracts arising from the difference between their forward and spot rates as at reporting date. The difference between the spot rate agreed at the inception of the forward exchange contract and the forward rate is amortised via the profit and loss account over the term of the contract.

When a derivative expires or is sold, the accumulated profit or loss (resulting from a development in the spot-rate) that has not yet been recognised in the profit and loss account prior to that time must then be included as a deferral in the balance sheet until the hedged transactions take place. If the transactions are no longer expected to take place, then the accumulated profit or loss is transferred to the profit and loss account. If a derivative no longer meets the conditions for hedge accounting, but the financial instrument is not sold, then the hedge accounting is also terminated. Subsequent measurement of the derivative instrument is then at the lower of cost or market value.

The Group documents its hedging relationships in specific hedging documentation and regularly checks the effectiveness of the hedging relationships by establishing whether the hedge is effective or that there is no over-hedging.

At each balance sheet date, the Group assesses the degree of ineffectiveness of the combination of the hedge instrument and the hedged position (the hedging relationship). The degree of ineffectiveness of the hedging relationship is determined by comparing the critical features of the hedging instrument against the hedged position.

As part of the measurement of derivatives in hedging relationships, the Group regularly assesses the effectiveness of hedging relationships by comparing the cumulative fair value change of the hedged position against the cumulative value changes of the derivatives. Any ineffectiveness is recognised directly in the profit and loss account.

Impairment of fixed assets

At each balance sheet date, the Group tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. Recoverable amount is determined for an individual asset, unless the asset generates cash inflows that are highly dependent on those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

An asset or cash generating unit is subject to impairment if the asset's carrying amount exceeds the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the income statement. In case of an impairment loss of a cash generating unit, the loss is first allocated to goodwill that has been allocated to the cash generating unit.

The recoverable amount is initially based on a binding sale agreement; if there is no such agreement, the recoverable amount is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net recoverable amount are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset cash-generating unit; these cash flows are discounted, based on a discount rate, which may vary per year and per tested cash-generating unit. The discount rate does not reflect risks already taken into account in future cash flows.

Any remaining loss is allocated to the other assets of the unit in proportion to their carrying values.

In addition an assessment is made on each balance sheet date whether there is any indication that an impairment loss that was recorded in previous years has decreased. If there is such indication, then the recoverable value of the related asset (or cash generating unit) is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the key assumptions used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash generating unit).

An impairment loss of goodwill is not reversed in a subsequent period.

Contrary to what is stated before, at each balance sheet date the recoverable amount is assessed for the following assets (irrespective of whether there is any indicator of an impairment):

- intangible assets that have not been put into use yet.

Financial assets are impaired if there is objective evidence of impairment as a result of events that occurred after the initial recognition, with negative impact on the estimated future cash flows, which can be estimated reliably. Objective evidence that financial assets are impaired includes delinquency by a debtor, indications that a debtor or issuer will enter or approaching bankruptcy, adverse changes in the payment status of borrowers or issuers, or disappearance of an active market for a security.

Impairment losses are recognised in the income statement. In assessing impairment, the Group uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends. When, in a subsequent period, the amount of an impairment loss on financial assets decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in the impairment loss is reversed through income statement (up to the amount of the original cost).

At each balance sheet date, the Group tests whether there are any indicators of financial assets being subject to impairment. If any such indicators exist, the Group carries out impairment tests on capitalised financial assets, based on the estimated cash flows of the related CGU. The CGU represents the lowest level within the Group at which the financial asset is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined based on their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, forecast current year, budget next year and further financial projections for four or seven years, depending on the maturity level of the CGU, after the available budget. Cash flows after five or eight years, depending on the maturity level of the CGU, are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, pre-tax discount rates have been applied, however, since tax is included in our cash flows, post-tax discount rates are considered.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Group has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

2.6 Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash generating unit to which it belongs) exceeds its recoverable amount. For details on how to determine whether an intangible fixed asset is impaired, please refer to note 2.5.

Goodwill

Goodwill represents the excess of the cost of the acquisition of the participating interest (including earn-out and transaction costs directly related to the acquisition) over the Group's interest in the net realisable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortisation and impairment losses.

Measurement of goodwill of an acquired company (including earn-out) involves the use of estimates for determining the fair value at acquisition date. This mainly relates to the expected profits of the acquired company at the moment of acquisition. The fair value is based on discounted cash flows expected to be received. Goodwill and other intangibles are tested for impairment when an indicator exists that the carrying amounts may not be recoverable. In calculating the value in use, management must estimate the expected enterprise value based on the expected cash flows of the cash generating unit.

Goodwill at acquisition of subsidiaries and non-consolidated participations as described here is capitalised and amortised on a straight-line basis over its estimated useful life of no more than 20 years. The Group's policy to amortise the goodwill in more than 5 year is based on the assumption that the acquisitions are expected to be a permanent and integral part of the Group. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rates at the date of acquisition. Internally generated goodwill is not capitalised.

Goodwill paid upon the acquisition of companies with a high risk profile will be amortised in 5 years.

Software

Software licences acquired are capitalised at acquisition cost and amortised over their estimated useful lives (3 to 8 years) on a straight-line basis. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Group are capitalised. Costs associated with maintaining computer software and research and development costs of internally developed software expenditure are recognised in the income statement.

Licenses and patents

Costs of intangible assets other than those internally generated, including licenses and patents, are valued at acquisition cost and amortised on a straight-line basis over their estimated future useful lives, with a maximum of 20 years.

Development cost

Capitalisation of an internally generated intangible fixed asset is allowed only if all the Dutch GAAP and the additional internal RHDHV requirements are met. Costs for development, where knowledge is used to achieve new or improved products or processes, are recognised as an asset in the balance sheet only when the technical and commercial feasibility of the product or process has been established, the Group has adequate resources to complete development, and the Group intends and is able to complete development of the intangible asset and either use it or sell it. It must also be possible to demonstrate how the asset will generate probable future economic benefits and to reliably measure expenditure attributable to the asset during its development. The carrying amount includes the costs of materials, direct employment costs and indirect costs that can be attributed to the asset in a reasonable and consistent manner. Other development expenditures are recognised as costs in the income statement as incurred.

Capitalised development expenditures are carried at cost less any accumulated amortisation and impairment losses. Development cost are amortised on a straight-line basis over their estimated future useful lives in 3 years. A legal reserve has been recognised within equity with regard to the recognised development costs for the carrying amount.

Expenditure costs for research aimed at obtaining new scientific or technical knowledge are expensed in the income statement when incurred.

2.7 Tangible fixed assets

Land and buildings are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives.

Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to note 2.5.

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.

Tangible fixed assets, for which the Group possess the economic ownership under a financial lease, are capitalised. The obligation arising from the financial lease contract is recognised as a liability. The interest included in the future lease instalments is charged to the profit and loss account during the term of the finance lease contract.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land, tangible fixed assets under construction and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. The Group determines the depreciable amount without taking into account a residual value.

The estimated average useful life by category is as follows:

- Land - not depreciated
- Buildings - real estate - 30 to 40 years
- Buildings - lease hold improvements - 3 to 10 years
- Furniture and fixtures - 3 to 10 years
- Computer hardware - 3 to 5 years
- Other fixed assets - 3 to 5 years

The cost of major repairs to buildings is capitalised and depreciated over 5 to 10 years if such repairs extend the life of a building.

Tangible fixed assets capitalised must be depreciated in the years mentioned above, unless the lease obligation is shorter, taking into account renewal options.

Property development - Delft office
During 2022 capitalising (re)development costs related to the Delft office have increased. Costs are capitalised to the extent that these are recoverable, as shown by an independent valuation of the building. Assets under construction will not be depreciated until the finalisation and commissioning of the project.

2.8 Financial fixed assets

Participating interests
Investments in group companies and other minority interests in which the Group can exert significant influence are valued according to the net asset value method as derived from the latest available financial data from these investments and interests. Significant influence is in any case defined as a shareholder's interest of more than 20%. Net asset value is calculated using the accounting policies applied in these financial statements. Associates whose financial information cannot be aligned to these policies are valued based on their own accounting policies.

Associates with an equity deficit are carried at nil. A provision is formed if and when Koninklijke HaskoningDHV Groep B.V. or one of its group companies is fully or partially liable for the debts of the associate, or has the firm intention to allow the associate to pay its debts.

Associates acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation.

Associates in which no significant influence can be exercised are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write-offs are disclosed in the income statement.

If transactions take place with a non-consolidated participating interest, that does not classify as a group company and that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised.

Loans to participating interests
Amounts owed by associates disclosed under financial fixed assets are recognised initially at fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary. These receivables are subsequently stated at amortised cost.

Deferred tax
A provision for deferred tax liabilities is recognised for taxable temporary differences.

For deductible temporary differences, unused loss carry-forwards and unused tax credits, a deferred tax asset is recognised, but only insofar as it is probable that taxable profits will be available in the future for offset or compensation.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. If, in future, it does become probable again a deferred tax asset will be recognised.

For taxable temporary differences related to group companies, foreign branches, associates and interests in joint ventures, a deferred tax liability is recognised unless the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For deductible temporary differences regarding group companies, foreign branches, associates and interests in joint ventures, a deferred tax asset is only recognised insofar as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference.

Deferred tax assets and liabilities are stated at nominal value and are only offset when they relate to the same entity and taxation authority.

Other

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

2.9 Work in progress

Work in progress is carried at contract revenue generated, which is comprised of contract costs incurred and attributable profits, based on percentage of completion less progress billings and recognised losses. Contract costs are costs which directly relate to the specific project (for example, personnel costs for employees whose activities relate directly to the project, costs of materials used) and the costs which are attributable to contract activity in general and can be allocated to the project (including insurance, costs of design and technical assistance, construction overhead) as well as other costs chargeable to the customer under the terms of the project. The percentage of completion, used for calculation of work in progress is determined based on the services performed to date as a percentage of the total services to be performed.

When the outcome of a project cannot be reliably estimated, revenues are recognised in the profit and loss account to the extent of the contract costs incurred which are likely to be recovered. Project costs are recognised in the profit and loss account in the period in which they are incurred.

Contract revenues are revenues agreed in the contract, including any proceeds on the basis of more or less work, claims and fees, if and to the extent that it is probable that the benefits will be realised and can be measured reliably. Contract revenues recognised for the amount to which the legal entity expects to be entitled in exchange for the transfer of promised goods or services.

Where appropriate, expected losses are recognised as exposure in the income statement. Losses are determined regardless whether the project has already been started, the stage of realisation of the project or the amount of profit which is expected on other, non-related projects. In addition, progress invoices and payments received in advance are also credited against work in progress.

Work in progress is separately presented in the balance sheet under current assets for debit balances. Credit balances are presented under current liabilities. The debit and credit balances are determined on master project level.

2.10 Receivables and securities

The accounting policies applied for the valuation of trade and other receivables and securities are described under note 2.5 Financial instruments.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are disclosed as current liabilities on the balance sheet. Cash and cash equivalents are stated at nominal value.

If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

2.12 Shareholders' equity

The consideration paid for the repurchase of shares is deducted from other reserves, until such time that these shares are cancelled or sold. If shares are sold, any proceeds are added to the other reserves.

Costs directly related to the purchase, sale and/or issue of new shares are recognised directly in shareholders' equity in the component other reserves net of any relevant tax effects. Other direct movements in shareholders' equity are also recognised net of any relevant tax effects. The purchase of own shares is deducted from other reserves.

2.13 Minority interest

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities, determined in accordance with the Group's measurement principles. Where the group company in question has an equity deficit, the negative value and any other losses are not allocated to the minority interest, unless the minority interest holders have a constructive obligation, and are able, to clear the losses. As soon as the group company manages to post an equity surplus, profits are allocated to the minority interest.

2.14 Dividends

Dividend distribution to shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.15 Provisions

General information

Provisions are measured at the best estimate of the amount that is necessary to settle the liability at the balance sheet date. Estimates by management and external advisors lead to an indication of the potential financial risk and whether the risk is covered by insurance policies.

A provision is recognised if the following applies:

- the Group has a legal or constructive obligation, arising from a past event;
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Except for pension benefits and long-term employee benefits, provisions are stated at nominal value and charged against project result as much as possible. Unless otherwise stated, provisions are of a long-term nature.

If the effect of the time value of money is material, the provision shall be measured at the present value of the expenditures expected to be required to settle the obligations and losses. If the period over which the expenditure is discounted is no longer than one year, the liability may be recognised at face value.

In case of measurement of a provision at present value: the movement in the provision as a result of the addition of interest shall be presented as an interest expense.

Pension benefits

The Group prepares its financial statements for pensions and 'post retirement benefits' on EU-IFRS standards instead of RJ 271.3, by using RJ 271.101.

The Group operates several pension schemes. The fact whether a scheme is classified as defined contribution or defined benefit is assessed based upon the pension agreement with the staff and the administration agreement with the pension fund or insurance agreement with the insurance company.

All schemes, except one, are defined contribution pension schemes, whereby, based upon the agreements with the staff, the pension fund or the insurance company, no additional commitments for the Group exist beyond the payment of the pension premium due in respect of the financial year.

In the United Kingdom the Group operates a defined benefit pension scheme, whereby the actuarial risk and the investment risk lies with HaskoningDHV UK Ltd. This scheme is a final salary defined benefit pension scheme and it has been closed for new entries and future accruals in 2005. The assets of the scheme are held separately from those of HaskoningDHV UK Ltd. in an independently administered fund.

Governance

The defined benefit pension scheme is established as independent trust, with operations governed by UK regulations and practice. The Board of Trustees, which consists of employer and employee representatives, are generally required to act on behalf of the scheme and perform periodic reviews on the solvency of the fund in accordance with local laws and regulations. They are responsible for administering the plan assets and for defining the investment strategy.

Investment strategy
The investment strategy of the scheme in respect of the funded plans is implemented within the framework of the UK requirements. The objective is to control the risks and maintain an appropriate balance between the risks and the long-term returns. Therefore, the investments are well diversified and managed within the asset-liability matching (ALM) frameworks of the funds. Within these frameworks the objective is to match assets to the pensions obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

As allowed in RJ 271.101 the Group uses IAS19R 'Employee Benefits' for the accounting treatment of this scheme:

- The difference between the present value of the accrued pension liabilities and the market value of the assets of the scheme (the net pension deficit) is recorded as a provision on the balance sheet. The liabilities are calculated as the present value of the estimated future cash flows using the accumulated benefit obligation method based upon actuarial assumptions which are annually set. The liabilities are calculated by an independent actuary.
- A net interest expense is calculated as the difference between the expected increase of the accrued pension liabilities at the beginning of the reporting period and the expected return on the scheme's assets at the beginning of the period, and is charged to the income statement under 'interest costs'.
- The difference between the actual and expected increase of the liabilities and the actual and expected return on assets is directly credited or charged to equity.
- Any gains or losses arising from experience or assumption changes are directly credited or charged to equity.

Restructuring
A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganisation. A valid expectation exists when the implementation of the reorganisation has been started, or when the main elements of the plan have been announced to those for whom the reorganisation will have consequences. The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the Group.

The employees in question will be supported in finding new employment outside the Group and are entitled to a redundancy arrangement that is dependent on their salary and years of service with the Group.

Another large part of this provision is caused by subletting vacant office space in Amersfoort.

Long-term employee benefits
The provision is recognised for the present value of the future long-service awards, which is calculated based on the commitments made, the likelihood of the staff concerned remaining with the Group, and their age.

Several group companies are by law obliged to pay compensation for severance and disability upon termination of employment. Liabilities arising from this are calculated based on actuarial assumptions.

In addition to existing provisions, a provision is in place in the Netherlands for ERD WGA (own risk carrier for work resumption of partially disabled persons).

Other provisions
A provision for claims, disputes and lawsuits is established when it is expected that the Group will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

Provisions for long-term sickness are measured at the fair value of excepted amounts payable, which is based on commitments made, known cases and likelihood of recovery. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised. The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

Other provisions also relate to a tax provision for foreign operations.

For deferred income tax we refer to note 2.8.

2.16 Non-current liabilities

The valuation of non-current liabilities is explained under note 2.5 Financial instruments.

2.17 Current liabilities

The valuation of current liabilities is explained under note 2.5 Financial instruments.

2.18 Leases

The Group may enter into financial and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

Financial lease

If the Group acts as lessee in a financial lease, the leased property (and the related liability) is recognised in the balance sheet at the start of the lease period at its fair value or, if lower, at the present value of the minimum lease payments. Both amounts are determined at the start of the lease. The interest rate applied for the calculation of present value is the implicit interest rate. If it is not practically possible to determine this interest rate, then the marginal interest rate is used. The initial direct costs are included in the initial measurement of the leased property.

The accounting principles for the subsequent valuation of the leased property are described in note 2.7. If there is no reasonable certainty that the Group will become the owner of a leased property at the end of the lease period, the property is depreciated over the shorter of the lease period or the economic life of the property.

The minimum lease payments are split into interest expenses and redemption of the lease liability. The interest expenses are allocated during the lease term to each period in such a way that this results in a constant periodic interest rate over the remaining net liability with regard to the financial lease. Conditional lease payments are recorded as an expense in the period in which the conditions for payment are being met.

Operational leases

If the Group acts as lessee in an operating lease, then the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease period.

The Group may have lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of nor incurred by the Group. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

2.19 Result determination

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Profit or loss is determined taking into account the recognition of unrealised changes in fair value of:

- investment property;
- securities included in current assets;
- derivative financial instruments not designated as hedging instruments.

2.20 Revenue recognition

Revenue from services rendered is accounted for in net turnover at the transaction price of the consideration received or receivable. Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, it's probable that the economic benefits associated with the provided services will flow, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably. If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.

An agreement may include several performance obligations (agreed-upon commitments to deliver distinct goods or services). Revenue is recognised for each separate performance obligation. Several performance obligations are distinguished. The total transaction price is allocated in proportion to the value of the performance obligations where an agreement contains several such obligations (commitments). An agreement may include several performance obligations (agreed-upon commitments to deliver distinct goods or services). Revenue is recognised for each separate performance obligation. Turnover from the rendering of services and project/work in progress/ construction contracts is recognised per performance obligation and project/work in progress/construction contract if the amount or the result can be reliably determined.

All revenue in the financial year recognised in the profit and loss account is derived from projects or license fees.

The recognition of revenue and expenses from fixed price and percentage fee based contracts for delivering engineering, design or consultancy services by reference to the stage of completion of a contract is often referred to as the percentage of completion (POC) method. Under this method, contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. This method provides useful information on the extent of contract activity and performance during a period. Revenue from projects includes the contractually agreed revenue plus any revenue from variations in project work, claims and reimbursements, insofar as and to the extent that it is probable that these revenues will be realised and can be reliably determined.

Profit on orders is recognised in accordance with the percentage of completion (POC) method. The percentage of completion is determined on the basis of the services performed up to that moment as a percentage of total services to be performed. It includes profit on orders executed entirely for the Group's own account and risk as well as a share of the profit on orders executed together with partners.

Additional work that does not constitute a separate performance obligation within the current project is recognised as an adjustment to the current project (adjustment of cumulative revenue). Additional work that does constitute a separate performance obligation is recognised as a separate agreement unless the increase in the agreed-upon fee does not reflect the value of the additional work. In the latter case, the additional work is recognised as a change to the current project contract.

Revenue from time and material contracts, typically from delivering engineering, design and consultancy services, is recognised at the contractual rates, as labour hours are delivered and direct expenses incurred.

Expected losses and known risks are provided for in the period in which they become known and are credited against work in progress.

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

Licence fees (right to use) are received for the use of the assets of the Group, such as software, trademarks and patents. Revenue is recognised when the amount of the consideration receivable can be determined reliably. License revenue is recognised when the right of the licence is transferred to the buyer (point in time).

Licence fees (right to access) will be invoiced periodically in advance. Revenue recognition will follow a linear calculation for the applicable periods within the duration of the respective licence (over time).

2.21 Net turnover

Net turnover comprises the income for the sale of goods, services and licenses and exclusive of value added tax, attributable to activities performed during the reporting period. Net turnover also includes the movement in deferred and accrued revenues.

2.22 Other operating income

Other operating income includes results that arise from events or transactions that are clearly distinct from the ordinary activities of the Group. Examples of Other operating income are: gains or losses on the sale of participating interests or incidental proceedings of legal court cases or incidental sales.

2.23 Costs of work subcontracted and other external expenses

Costs of work subcontracted and other external expenses are costs that are directly attributable to net turnover, i.e. subcontractors, travel costs and other costs.

2.24 Employee benefits

Benefits payable on a regular basis

Wages, salaries and social security contributions payable pursuant to employment conditions or local legislation are incorporated in the income statement to the extent that these are payable to employees or external parties.

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, taken up as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a refund or a reduction in future payments by the Group.

For benefits with accumulating rights, profit sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit sharing and bonus payments is recognised if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made.

Pensions

For the Dutch and comparable foreign defined contribution pension schemes the pension charge to be recognised for the reporting period equals the pension premium due to the pension fund or insurance company in respect of the reporting period. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are taken up as liabilities.

Changes in provisions for additional liabilities are also charged to the result in the period in which they arise.

In the Netherlands, in line with new fiscal laws regarding pensions applicable from 2015, a new collective defined contribution pension scheme has been introduced. This scheme is based upon average pay during the employment period with conditional indexation based upon the applicable Pension Law and the financial position of the pension fund. The two former pension funds have merged with effect from January 1, 2015 and the new fund, Stichting Pensioenfonds HaskoningDHV (the Pension Fund), will administer the new scheme as well as the existing liabilities of the 2 former funds. The Group has entered into an administration agreement with the new fund whereby the premium is fixed for 5 years (till December 31, 2024) and its liabilities are limited to the payment of the actual premiums due without any liability for additional payments to or deficits arising in the fund.

The new pension fund has two compartments, which are legally separated. In compartment DHV the former members of the DHV fund, together with new entries since 2015, are administered. This compartment is fully self-managed. In compartment Haskoning the former members of the Haskoning fund are administered. This compartment is closed for new entries in 2015. The pension liabilities until the end of 2014 are fully insured with Nationale-Nederlanden (NN) whereby the major risks are transferred to this company. Pension accruals with effect from 2015 are self-managed.

As at July 1, 2018 the assets and liabilities, except for the liabilities insured with NN, of compartment Haskoning have been transferred to compartment DHV, after which compartment Haskoning has been put into voluntary liquidation. The liabilities insured with NN have been transferred to NN and the relating insurance contract (which has been closed for new entries since 2015) has been transferred to HaskoningDHV Nederland B.V. As the new policyholder this company may, under the terms of the applicable Pension Law, be obliged to additional payments to fund the value transfer of former employees insured under this contract to their new pension provider. However, this company has entered into an agreement with the Pension Fund, whereby the latter is obliged to fully refund this company for these additional payments, if and when arising. No other obligations or charges in respect of the transfer of the insurance contract will arise.

Because of the above The Pension Fund has become a fully self-managed regular company pension fund. At the end of 2022 the provisional actual coverage rate is 126.3% and the provisional policy coverage rate is 123.7%.

In the United Kingdom and South Africa the current pension arrangements are to be considered as individual defined contribution schemes which are administered by insurance companies.

In addition the Group operates a defined benefit pension scheme in the United Kingdom which has been closed for new entries and future accrual in 2005. Further reference is made to note 2.15 and note 12.

For foreign pension schemes that are not comparable in design and functioning to the Dutch pension system a best estimate is made of the obligation at the balance sheet date using IAS19R 'Employee Benefits' actuarial valuation principles. Changes of the obligation are charged to the result in the period in which they arise.

2.25 Amortisation and depreciation

Intangible fixed assets, including goodwill, are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Land is not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

2.26 Operating expenses

Operating expenses are allocated to the reporting period to which they relate.

2.27 Government grants

Operating grants are recognised as an income item in the income statement in the year in which the subsidised costs are incurred, income is lost or a subsidised operating deficit has occurred.
Grants are recognised as soon as it is likely that they will be received and the Group will comply with all attached conditions.

2.28 Finance income and expenses

Interest

Interest income and expenses are recognised in the income statement as it accrues using the effective interest method.

Dividends

Dividend income is recognised when the actual payment is received.

2.29 Corporate income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs.

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted at the reporting date, and any adjustments to tax payable in respect of previous years. The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Group expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities.

2.30 Share of result of participating interests

The share of the result of participating interests consists of the share of the Group in the results of these participating interests, determined on the basis of the accounting principles of the Group.

The results of participating interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Results on transactions, where the transfer of assets and liabilities between the Group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

3 Mergers and acquisitions

The Group acquired 100% of the shares and voting rights in Districon Group B.V. and its subsidiaries (Districon). As a result, control has been obtained over Districon, which is a specialised provider of consultancy in supply chain solutions. The acquisition of Districon has been recorded applying the 'purchase accounting' method. The purchase price for this acquisition is €8.2 million, including future earn-out payments. At acquisition we did not dissociate from any activities.

Per April 6, 2022, Districon has been included in the consolidated financial statements of the Group.

Acquiring Districon resulted in €6.1 million goodwill at acquisition. The Group's policy to amortise the goodwill in more than 5 year assumes that the acquisition is expected to be a permanent and integral part of the Group. The goodwill of Districon will be amortised on a straight-line basis of 10 years following the Group's principles on goodwill amortisation (we refer to note 2.6). These principles determine a risk profile, considering the size and the maturity of the acquired company and business.

The Group acquired an additional 8.02% of the shares and voting rights in Hydroinformatics Institute Pte. Ltd. (H2i), Singapore, bringing the total share to 75.02%. As a result, control over H2i continued, which is a water information consultancy firm, applying digital solutions to the world’s climate and water-related challenges. The additional shares and voting rights in H2i have been recorded applying the 'purchase accounting' method. The purchase price for the additional shares is €0.6 million.

The additional 8.02% of shares and voting rights in H2i has been included in the consolidated financial statements of the Group per July 15, 2022.

Acquiring an additional 8.02% in H2i resulted in €0.6 million goodwill at acquisition. The Group's policy is to amortise the goodwill of H2i on a straight-line basis of 5 years following the Group's principles on goodwill amortisation (we refer to note 2.6). These principles determine a risk profile, considering the size and the maturity of the acquired company and business.

On December 16, 2022 the Group entered into an agreement with the aim of taking a participation of 20% in Studio IN-EX Zrt. Studio IN-EX Zrt. is an architecture and engineering company, based in Hungary. This acquisition will help us to to grow our data center services and boost our competences in DWOW and BIM.

This strategic investment follows on a more than five year long successful collaboration where we have been onboarding their BIM expertise into our data center projects globally. BIM is an international method of designing and constructing buildings based on information-rich 3D models.

The purchase price for this acquisition is €1.1 million, which will be paid in February 2023.

4 Intangible fixed assets

Movements in intangible fixed assets can be broken down as follows:

	Goodwill	Computer software	Licenses and patents	Development cost	Total
At January 1, 2022					
Cost	71,420	10,033	302	5,827	87,582
Accumulated amortisation and impairment	(47,890)	(8,548)	(71)	(1,837)	(58,346)
Carrying amount	**23,530**	**1,485**	**231**	**3,990**	**29,236**
Movements					
Investments	6,600	1,032	174	4,806	12,612
Divestments	-	(266)	-	-	(266)
Newly consolidated	-	80	-	-	80
Exchange differences	(464)	8	-	(1)	(457)
Amortisation	(5,806)	(689)	(37)	(2,604)	(9,136)
Subtotal	**330**	**165**	**137**	**2,201**	**2,833**
At December 31, 2022					
Cost	65,461	8,483	477	10,570	84,991
Accumulated amortisation and impairment	(41,601)	(6,833)	(109)	(4,379)	(52,922)
Carrying amount	**23,860**	**1,650**	**368**	**6,191**	**32,069**
Amortisation rate in %	5 - 20	12 - 33	5 - 10	33	

At each balance sheet date the Group tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exists, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU, defined as Business Unit or entity represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, budget 2023 and further financial projections for four or seven years, depending on the business profile of the CGU. Cash flows after five or eight years, depending on the business profile of the CGU, are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, pre-tax discount rates have been applied, however, since tax is included in our cash flows, post-tax discount rates are considered. For our 2022 impairment testing of the Business Unit Software and the Business Unit Consultancy we applied a discount rate of 9.46% for the Netherlands, 10.10% for United Kingdom and 9.03% for Singapore.

Above mentioned two Business Units were triggered, but this did not result in an impairment of any intangible fixed assets.

Goodwill investments relate to Districon Groep B.V. and H2i - Singapore.

The carrying amount of Development cost mostly relates to the Twinn software in the Netherlands and United Kingdom, for €6.2 million.

The carrying amount of Goodwill, based on legal entity, is geographically divided as follows:

	31-12-2022	31-12-2021
The Netherlands	13,866	10,461
United Kingdom	7,599	10,527
Asia	2,395	2,542
	23,860	**23,530**

5 Tangible fixed assets

Movements in tangible fixed assets can be broken down as follows:

	Land and buildings	Furniture and fixtures	Hardware	Other fixed assets	Assets under construction and prepayments	Total
At January 1, 2022						
Cost	9,327	9,410	17,722	2,695	185	39,339
Accumulated depreciation and impairment	(6,681)	(7,434)	(12,757)	(1,639)	-	(28,511)
Carrying amount	**2,646**	**1,976**	**4,965**	**1,056**	**185**	**10,828**
Movements						
Investments	1,158	265	4,035	155	9,615	15,228
Divestments	(19)	(121)	(101)	(3)	-	(244)
Newly consolidated	23	36	117	50	-	226
Exchange differences	3	(11)	4	(13)	-	(17)
Depreciation	(578)	(431)	(3,132)	(370)	-	(4,511)
Subtotal	**587**	**(262)**	**923**	**(181)**	**9,615**	**10,682**
At December 31, 2022						
Cost	10,093	8,229	18,456	2,940	9,800	**49,518**
Accumulated depreciation and impairment	(6,860)	(6,515)	(12,568)	(2,065)	-	**(28,008)**
Carrying amount	**3,233**	**1,714**	**5,888**	**875**	**9,800**	**21,510**
Depreciation rate in %	0 - 33	10 - 33	20 - 33	20 - 33	0	

The investments in tangible fixed assets of €15.2 million relate to: the Delft office (€9.6 million), hardware (laptops) (€4.0 million) in the Netherlands, office refurbishments mainly in United Kingdom (€1.1 million) and other investments in various countries (€0.5 million).

6 Financial fixed assets

Movements in financial fixed assets can be broken down as follows:

	Participating Interests	Deferred income tax assets	Other financial fixed assets	Total
At January 1, 2022	**4,775**	**12,050**	**6**	**16,831**
Investments / additions	404	763	-	1,167
Divestments	-	-	(6)	(6)
Repayments / utilisation	-	(3,500)	-	(3,500)
Remeasurement of defined benefit plan	-	(2,136)	-	(2,136)
Share of result in participating interests	30	-	-	30
Reclassification	-	(442)	-	(442)
Exchange differences	(35)	(360)	-	(395)
Dividends	(909)	-	-	(909)
At December 31, 2022	**4,265**	**6,375**	**-**	**10,640**

The fair value of the financial fixed assets approximates the carrying amount.

Participating interests

We refer to the Appendix for the Group's participating interests.

Deferred income tax assets

Deferred income tax assets relate amongst others to unused tax losses. Recognised and unrecognised deductible temporary differences and tax losses can be broken down as follows:

	31-12-2022 Deferred income tax assets	31-12-2021 Deferred income tax assets
Deductible temporary differences related to United Kingdom pensions	2,050	4,341
Other deductible temporary differences	3,487	3,798
Total deductible temporary differences	**5,537**	**8,139**
Tax losses	838	3,911
	6,375	**12,050**

An amount of €0.5 million of the €6.4 million deferred tax asset is anticipated to be settled within one year.

Deferred tax assets and liabilities are only offset when they relate to the same entity and tax authority.

The known available tax losses not valued amount to €19.1 million (2021: €15.3 million).

Of the €3.5 million utilisation of the deferred tax asset, €2.7 million is related to the liquidation of the entities in Portugal. This deferred tax asset was moved to current tax in 2022. This amount was presented under tax losses in the table above.

Movement in deferred tax on the United Kingdom pensions is related to the change in net pension liability value of the defined benefit pension scheme in the United Kingdom. In 2022 +€6.4 million is recognised directly in equity (2021: +€6.0 million).

Other deductible temporary differences include timing differences in various countries.

7 Work in progress

Costs and estimated earnings on uncompleted contracts are as follows:

	31-12-2022	31-12-2021
Projects with a debit balance:		
Costs incurred and estimated earnings (project-to-date)	815,489	769,161
Billings (project-to-date)	(733,576)	(700,605)
	81,913	**68,556**
Projects with a credit balance:		
Billings (project-to-date)	(1,066,029)	(1,054,888)
Costs incurred and estimated earnings (project-to-date)	980,651	974,163
	(85,378)	**(80,725)**
Provision for expected losses	(10,547)	(10,445)
Payments in advance	(2,088)	(3,907)
	(98,013)	**(95,077)**

The balances of the projects have been assessed at master project level.
The negative amount of work in progress is included in the current liabilities, see note 14.

8 Receivables

	31-12-2022	31-12-2021
Trade receivables	122,516	106,818
Amounts owed from participating interests	10,668	6,276
Corporate income tax	2,379	246
Other taxes and social security charges	1,922	1,191
Employee advances	617	640
Prepaid expenses	18,378	14,072
Other receivables	2,470	2,088
	158,950	**131,331**

Amounts owed from participating interests, like joint ventures, are treated similar to trade receivables; no interest is charged. All receivables fall due in less than one year. The fair value of the receivables approximates the carrying amount due to their short-term character.

	31-12-2022	31-12-2021
Trade receivables	135,622	122,379
Less: provision for bad debts	(13,106)	(15,561)
	122,516	**106,818**

Unless agreed otherwise, the Group will invoice the client monthly for the performance of services. Payment shall be made in the agreed currency and within thirty (30) days of the invoice date (due date). Deviation from the 30 days payment can be agreed between the Group and the client. For the Group the DSO per December 31, 2022 were: 73 (2021: 64).

During the year the provision for bad debts decreased by €2.5 million, of which we used €1.3 million for trade debtors written off. The total impact on the 2022 result (including FX effects) was €1.2 million.

9 Cash and cash equivalents

The cash and cash equivalents balance includes an amount of €0.1 million (2021: €0.3 million) that is not immediately accessible. This relates to funds that are in an escrow account with the Dutch Tax Authorities in line with the Dutch Sequential Liability Act. The funds on this account are short-term in nature.

The cash and cash equivalents balance include deposits of €36.0 million, with a maximum term of maturity of 11 months. These deposits are not immediately accessible.

10 Shareholders' equity

Movements in shareholders' equity can be broken down as follows:

	2022						
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1	**5,103**	**3,187**	**(6,885)**	**7,967**	**165,043**	**15,160**	**189,575**
Movements							
Legal and statutory reserves	-	-	-	1,485	(1,485)	-	-
Reclassification	-	-	(358)	-	358	-	-
Exchange differences	-	-	(1,446)	-	-	-	(1,446)
Unappropriated result	-	-	-	-	-	13,733	13,733
Transfer result last year to other reserves	-	-	-	-	15,160	(15,160)	-
Shares issued	52	2,016	-	-	-	-	2,068
Own shares (repurchased) / sold	-	-	-	-	-	-	-
Dividend	-	-	-	-	(596)	-	(596)
Other movements in reserves	-	-	-	-	6,409	-	6,409
Subtotal	**52**	**2,016**	**(1,804)**	**1,485**	**19,846**	**(1,427)**	**20,168**
At December 31	**5,155**	**5,203**	**(8,689)**	**9,452**	**184,889**	**13,733**	**209,743**

Movements in last year's shareholders' equity can be broken down as follows:

	2021						
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1	**5,099**	**3,043**	**(13,536)**	**6,043**	**149,415**	**13,027**	**163,091**
Movements							
Legal and statutory reserves	-	-	-	1,924	(1,924)	-	-
Reclassification	-	-	3,611	-	(3,611)	-	-
Exchange differences	-	-	3,040	-	-	-	3,040
Unappropriated result	-	-	-	-	-	15,160	15,160
Transfer result last year to other reserves	-	-	-	-	13,027	(13,027)	-
Shares issued	4	144	-	-	-	-	148
Own shares (repurchased) / sold	-	-	-	-	2,506	-	2,506
Dividend	-	-	-	-	(409)	-	(409)
Other movements in reserves	-	-	-	-	6,039	-	6,039
Subtotal	**4**	**144**	**6,651**	**1,924**	**15,628**	**2,133**	**26,484**
At December 31	**5,103**	**3,187**	**(6,885)**	**7,967**	**165,043**	**15,160**	**189,575**

Group equity comprises of the equity of Koninklijke HaskoningDHV Groep B.V., which also includes the DHV Education Foundation. The equity of Koninklijke HaskoningDHV Groep B.V. as well as reconciliation with the consolidated equity is part of note 31 of the Company Financial Statements.

Included in the line other movements in other reserves is the Defined Benefit Pension Plan United Kingdom. The movement relates to the net balance of actuarial gains and losses, after deduction of deferred tax, in respect of the closed pension scheme in the United Kingdom, which has been directly charged to the reserves. Further reference is made to note 12.

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in the foreign currency translation reserve.

The legal and statutory reserves consist of a statutory reserve for unappropriated income of participating interests of €3.0 million, a legal reserve for capitalised development costs of €6.2 million and a legal reserve of €0.3 million in Portugal, Belgium and China.

The earnings per share amount to €2.66 over the year 2022, more information can be found in the Notes to the Company Financial Statements.

11 Minority interest

Movements in the minority interest can be broken down as follows:

	31-12-2022	31-12-2021
At January 1	**98**	**(275)**
Result for the year	57	172
Change in share %	(72)	-
Newly consolidated	-	191
Dividends	(5)	(12)
Exchange differences	9	22
At December 31	**87**	**98**

12 Provisions

Movements in provisions can be broken down as follows:

	Pensions	Restructuring	Long-term employee benefits	Deferred tax liability	Other provisions	Total
At January 1, 2022	**17,363**	**3,082**	**6,845**	**221**	**1,942**	**29,453**
Additions	297	562	1,792	453	194	3,298
Withdrawals	-	(1,134)	(200)	-	(157)	(1,491)
Reclassification	-	-	-	(442)	-	(442)
Remeasurement of defined benefit plan	(8,546)	-	-	-	-	(8,546)
Release to profit & loss account	-	(507)	(706)	-	(27)	(1,240)
Exchange differences	(913)	(3)	(7)	(18)	-	(941)
At December 31, 2022	**8,201**	**2,000**	**7,724**	**214**	**1,952**	**20,091**

Of the provisions €18.7 million (2021: €27.2 million) qualifies as long-term (in effect for more than one year).

Pensions

Provisions are recognised at the balance sheet date for unfunded obligations resulting from contractual arrangements with pension funds and from obligations to employees in the United Kingdom. These obligations are based on actuarial calculations.

United Kingdom closed defined benefit plan

This plan is a funded defined benefit arrangement. The plan is a separate trustee administered fund holding the pension plan assets to meet the long-term pension liabilities.

New entries and accruals for new benefits in the plan ceased on June 30, 2005 at which time all remaining active members became deferred members. No guarantee from the Group has been provided to the local entity in the United Kingdom for the closed defined benefit plan.

Movement in net defined benefit liability

	31-12-2022			31-12-2021
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Total
At January 1	**91,349**	**73,986**	**17,363**	**21,671**
Included in income statement				
Interest	1,532	1,235	297	325
Included in equity				
Actuarial loss (gain) arising from:				
- Scheme experience	5,811	-	5,811	(1,083)
- Financial and demographic assumptions	(35,610)	-	(35,610)	621
Return on plan assets (excluding interest income)	-	(21,253)	21,253	(5,732)
Subtotal	**(29,799)**	**(21,253)**	**(8,546)**	**(6,194)**
Exchange differences	(4,805)	(3,892)	(913)	1,561
	(34,604)	**(25,145)**	**(9,459)**	**(4,633)**
Other				
Contributions paid by employer	-	-	-	-
Benefits paid	(2,926)	(2,926)	-	-
At December 31	**55,351**	**47,150**	**8,201**	**17,363**

The interest is taken up in the income statement in the line interest expenses.

Plan assets

Plan assets comprise of the following:

	31-12-2022		31-12-2021	
	amount	%	amount	%
Insured assets	1,012		1,363	
Index-linked bonds	8,772		13,405	
Pooled liability driven investment funds	12,076		19,933	
Total matching assets	**21,860**	**46.4%**	**34,701**	**46.9%**
United Kingdom equities	5,445		6,291	
Overseas equities	3,518		9,066	
Diversified growth funds	17,949		23,776	
Cash	(1,622)		152	
Total growth assets	**25,290**	**53.6%**	**39,285**	**53.1%**
Total invested assets	**47,150**	**100.0%**	**73,986**	**100.0%**

None of the fair values of the assets shown above include any of the United Kingdom company's own financial instruments or any property occupied by, or other asset used by, the company. All of the scheme assets have a quoted market price in an active market with the exception of the Trustee's bank account balance.

The Plan invests in assets that are expected to achieve the Plan's objectives of achieving a fully funded position on a Technical Provisions basis; targeting a return of 2.7% p.a. in excess of gilts; and controlling volatility and long-term costs.

Defined benefit obligations

Actuarial assumptions
The following were the principal financial and demographic assumptions at the reporting date (in % per annum):

	31-12-2022	31-12-2021
Discount rate	5.0	1.8
Inflation (Retail Price Index)	3.1	3.4
Inflation (Customer Price Index)	2.8	3.1
Allowance for commutation of pension for cash at retirement	15% of Post A day	15% of Post A day

The discount rate is based on the UK Mercer Yield Curve AA-rated United Kingdom 14-year corporate bond index.

The mortality assumptions adopted at December 31, 2022 are:
- Males: 109% of the standard tables S3PMA_L;
- Females: 102% of S3PFA_L;
using the CMI_2021 improvement rate of 1.25% per annum.

These imply the following life expectancies at age 65 years:

	31-12-2022	31-12-2021
Longevity at age 65 for current pensioners		
Males	22.8	21.9
Females	24.8	23.9
Longevity at age 65 for current members aged 45		
Males	24.0	23.3
Females	26.2	25.4

Sensitivity analysis
Reasonably possible changes at reporting date to one of the relevant actuarial assumptions, holding other consumptions constant, would have affected the defined benefit obligation by the percentages shown below:

		31-12-2022	31-12-2021
Discount rate	Decrease of 0.1% per annum	1.3% increase	1.7% increase
Rate of inflation	Increase of 0.1% per annum	0.9% increase	1.0% increase
Rate of mortality	Increase life expectancy of 1 year	3.3% increase	4.4% increase

The average duration of the defined benefit obligation at the period ending at December 31, 2022 is 14 years (2021: 17 years).

The plan typically exposes the company to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in future P&L accounts. This effect will, however, now be partially offset as a result of the investment in Liability Driven Investment (LDI) assets.

Additionally, caps on inflationary increases are in place to protect the plan against extreme valuation.

Following the completion of the triennial valuation of the scheme as at October 31, 2021, it was agreed that HaskoningDHV UK Limited would pay a deficit reduction contribution for the coming three years, starting from 2023 of £2.2 million.

Restructuring

Restructuring costs include provisions for staff redundancy and costs due to onerous rental agreement buildings. The movements in 2022 are partly related to the restructuring of the organisation to be more effective, efficient and thus more successful in the market. Another large part is caused by subletting vacant office space in Amersfoort. This provision increased in 2022 with €0.3 million because of changed conditions.

Approximately €0.8 million (2021: €1.7 million) of the restructuring provision is due within one year.

Long-term employee benefits

This item mainly relates to future long-service awards in the Netherlands. The provision for long service relates to payments to employees on the basis of years of service. The provision reflects the estimated amount of the long-service awards in the future. This provision amounts €3.3 million at the end of 2022.

The calculation is based on commitments made, retention rates and ages.

The following key actuarial assumptions have been used in determining the provision, calculated by an external actuary:

- Discount rates: based on iBoxx AA classified European corporate bonds;
- Life expectancy: forecast table AG2022 with a correction for longevity based on income class.

In addition to existing provisions, a provision is in place in the Netherlands for ERD WGA (own risk carrier for work resumption of partially disabled persons) for €2.0 million (2021: €1.4 million).

In addition provisions have been made for mandatory severance and disability schemes in several countries of operation. This provision amounts €2.4 million at the end of 2022.

This provision has a non-current nature; the Group expects to use approximately €7.3 million (2021: €6.4 million) after 2023.

Other provisions

Other provisions relate to the old age pension act (AOW) for employees that have been abroad for a longer period of time and the own risk regarding claims. Other provisions also relate to a tax provision for foreign operations.

The expected utilisation period of these provisions is between one and five years.

13 Non-current liabilities

Movements in non-current liabilities can be broken down as follows:

	Other long-term liabilities
At January 1, 2022	**3,286**
Transferred from current liabilities	3,727
Additions	1,972
Repayments	(3,179)
Adjustment earn-out	(5)
Exchange differences	(191)
Transferred to current liabilities	(2,782)
At December 31, 2022	**2,828**

Repayment obligations falling due within 12 months are included in current liabilities (note 14). This relates to an amount of €2.8 million (2021: €3.7 million) in Other long-term liabilities.

The Other long-term liabilities relate to future earn-out payments to acquired investments. These earn-out fees are payable after 2022 and will only be paid when agreed conditions have been met. The conditions are mainly related to operational results and revenue targets. All amounts are payable within 3 years.

Banking facilities

Per December 31, 2022 the Group has unsecured guarantee facilities with two banks in the Netherlands of €25 million each.

The debt covenant for the multipurpose facility states that the leverage ratio must not exceed 2.0 at December 31, 2022. Per December 31, 2022 the leverage ratio (net debt/EBITDA) is -4.0.

Parallel to the guarantee facilities the Group has loan and guarantee facilities with banks in the Netherlands (€3.7 guarantee facility), South Africa (€2.5 million Prime Rate denominated overdraft facility + €0.4 million for guarantees and credit cards), Mozambique (€1.2 million multi-purpose facility), India (€3.4 guarantee facility) and Vietnam (€1.2 million multi-purpose facility). In other countries the Group has guarantee facilities of €3.7 million.

In total the Group has €66.1 million loan- and guarantee facilities. Within these facilities €2.6 million can only be used for loans, €57.8 million only for guarantees, €4.6 both for loans and guarantees and €1.1 million as credit card facility.

14 Current liabilities

	31-12-2022	31-12-2021
Amounts owed to credit institutions	267	48
Short-term part of non-current liabilities	2,782	3,727
Trade payables	31,893	29,646
Corporate income tax	1,461	2,600
Other taxes & social security charges	30,435	28,787
Holliday allowance	9,329	8,597
Amounts owed to participating interests	165	124
Pension premiums	3,950	3,944
Leave entitlements	9,933	9,944
Accrued expenses	11,193	10,137
Work in progress (see note 7)	98,013	95,077
Other short-term liabilities	19,581	16,014
	219,002	**208,645**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to their short-term character.

Other taxes & social security charges include payroll taxes of €11.2 million (2021: €10.2 million) and VAT of €19.3 million (2021: €18.6 million).

Included in accrued expenses are accruals for accommodation, ICT costs and project related costs of €5.1 million (2021: €3.9 million), staff related accruals of €2.1 million (2021: €2.0 million) and other of €4.0 million (2021: €4.2 million).

Other short-term liabilities includes other staff related accruals of €15.1 million (2021: €12.0 million). The increase in other staff related accruals is mainly related to a higher profit sharing payable.

15 Financial instruments

General information

During the normal course of business, the Group uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Group has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Group.

The Group applies derivatives, including forward exchange contracts and purchased interest rate options to control its risks.

The Group does not trade in financial derivatives.

Credit risk

Credit risk arises principally from the Group's receivables presented under trade and other receivables and cash. The maximum amount of credit risk that the Group incurs is €319 million (2021: €321 million), consisting of trade receivables (€136 million excluding the provision for bad debts (2021: €122 million)), other receivables (€36 million (2021: €25 million)) and cash (€147 million (2021: €174 million)). The credit risk is concentrated at a large number of counterparties, the highest receivable amounts to €2.8 million (2021: €3.3 million). We have a long-lasting relationship with this customer and 92% of the outstanding amount is less than 1 year old.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Geographically, on the other hand, the credit risk is approximately 52% (2021: 54%) concentrated in the Netherlands.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before, preferably, the Group's standard payment and delivery terms and conditions are offered. The Group's review includes third party assessment, external ratings, when available and purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the management. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

A large part of the Group's customers have been transacting with the Group for over four years. Impairment losses have been recognised against these customers. At balance date the provision for bad debts amounted to €13.1 million (2021: €15.6 million).

Currency risk

The Group is exposed to currency risk on sales denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro, but also Pound Sterling (GBP). The currencies in which these transactions primarily are denominated are USD, KWD, TWD and SAR. The Group aims to mitigate as much as possible of its foreign currency exposure in respect of contracted sales.

The currency risk of net investments in foreign subsidiaries is not hedged. The current view on this translation exposure is that our investments are long-term and as such are not hedged through short-term instruments as Foreign Exchange derivatives.

The net currency position (EUR) of hedged contracts as at December 31 is specified below:

	31-12-2022		31-12-2021	
	Estimated fair value	Contract value/ projected principal amounts	Estimated fair value	Contract value/ projected principal amounts
EUR / USD	354	9,233	(397)	11,761
EUR / KWD	124	6,052	(248)	4,082
EUR / TWD	230	4,351	-	-
EUR / SAR	155	2,731	(95)	2,109
GBP / USD	74	1,560	(28)	1,481
EUR / VND	(50)	1,546	119	2,278
EUR / AED	22	1,078	-	-
GBP / AUD	-	781	-	-
EUR / INR	38	751	(102)	1,070
EUR / CNY	27	704	(40)	715
GBP / INR	-	-	(8)	457
Other	47	694	(7)	652
	1,021	**29,481**	**(806)**	**24,605**

All contracts expire in the coming year.

Liquidity risk

Management ensures that sufficient balances are available for a minimum of €35 million (for 2022) to cover the expected operational costs, including meeting the financial obligations. The potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters are not taken into account. For further details regarding our bank facility we refer to note 13.

Price risk

The Group does not hold any investments in listed and non-listed equities and therefore does not run a price risk.

Interest rate risk

The Group mitigates the interest rate risk as much as possible. Currently there are no outstanding loans and the bank balance is positive. Therefore the interest rate risk is limited.

16 Commitments and contingencies not included in the balance sheet

Operational leases

	31-12-2022				31-12-2021
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Total
Equipment / utilities	50	59	-	109	38
Buildings rental / lease	13,713	26,820	9,548	50,081	54,186
Car lease	4,757	4,729	-	9,486	11,684
ICT lease	10,972	6,313	-	17,285	31,158
	29,492	**37,921**	**9,548**	**76,961**	**97,066**

In 2022, the commitments ensuing from this recognised in the profit and loss account amounted to €30.2 million (2021: €33.4 million).

Contingent liabilities

The Group in the Netherlands is liable for any obligations arising under the Dutch Sequential Liability Act. The Group executes certain projects in partnership with other parties.

Based on contractual agreements, the Group bears joint and several liabilities for the contractual obligations of the partnership resulting from these projects.

In 2019 the Group decided to move to a new office in Delft, replacing the existing offices in Rotterdam and the Hague, which have rental contracts in place till 2024. In 2020 the Group signed a contract with Technische Universiteit Delft to acquire the Mijnbouwstraat 120 building in Delft. Delivery date of the property was April 22, 2022.
The Group has developed a plan/design to renovate Mijnbouw and in July 2021 the Group contracted Strukton Worksphere (now SPIE) to realise the renovation. The renovation started in May 2022 and is planned to be finalised in 2024.
We expect to spend another € 39.6 million on the property and spending attributable to the tenant of which € 38.8 million will qualify for capitalisation. Compared to last year the estimated spendings have increased. This increase has been caused by, among others, increased material prices (steel and wood) and variation orders with SPIE.

On December 16, 2022 the Group entered into an agreement with the aim of taking a participation of 20% in Studio IN-EX Zrt. For further details see note 3.

At December 31, 2022 the Group had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €30.7 million (2021: €34.1 million).

Counter guarantees in favour of the Group have been received for a value of €0.5 million (2021: €0.5 million).

Tax group liabilities

The Group forms a fiscal unity for VAT and income tax in the Netherlands with a number of group companies. Under the standard conditions, the Group and its fellow members of the tax group are jointly and severally liable for any taxes owed by the fiscal unity.

By virtue of its operations in various countries, the Group incurs operational and/or tax claims. Where their effect is more likely than not and can be reasonably estimated, such claims are provided for as soon as they arise. The existing provisions are considered sufficient to cover the potential consequences of pending claims.

Contingencies

The Group is involved in certain legal proceedings relating to its projects. Provisions have been created for these insofar as these are necessary based on the management's best estimate.

Share Plan

For details about the Group's share plan we refer to Other Information.

Pensions

The Group in the Netherlands has taken over a closed pension insurance contract with a life insurance company from its pension fund. Under the terms of this contract and the applicable Pension Law the Group may be obliged to additional payments to fund the value transfer of former employees insured under this contract to their new pension provider. The Group has entered into an agreement with its pension fund whereby the latter has committed itself to fully refund the Group for these obligations, if and when arising. We refer to note 2.24 for further explanation.

17 Net turnover

The net turnover by geographical area can be broken down as follows:

	2022	2021
The Netherlands	361,341	329,811
Europe (excl. NL)	142,806	133,489
Asia Pacific	84,484	62,642
Africa, Middle East and India	77,539	71,624
Americas	32,640	21,711
	698,810	**619,277**

The net turnover by business line can be broken down as follows:

	2022	2021
Industry & Buildings	229,759	203,770
Mobility & Infrastructure	214,119	189,230
Water & Maritime	199,294	168,876
Digital	27,957	25,364
Southern Africa	27,681	32,037
	698,810	**619,277**

The net turnover by delivered service can be broken down as follows:

	2022	2021
Engineering, Design & Consultancy	673,965	600,604
Software licenses	14,532	13,869
Technology licenses	10,313	4,804
	698,810	**619,277**

See Key figures for % segmentation of turnover by region, client group and business line.

18 Employee benefits

	2022	2021
Salaries and wages	323,826	289,923
Social security charges	39,923	33,725
Pension charges	37,340	34,559
	401,089	**358,207**

19 Remuneration report under responsibility of the Supervisory Board

Remuneration of the Executive Board

For the explanation of the remuneration of the Executive Board we refer to the Supervisory Board Report.

Current and former managing directors	Base salary	Social premiums / other allowances	Variable	Pensions	2022	2021
E. Oostwegel (CEO)	530	102	108	18	758	732
J. de Wit (CFO)	409	75	83	18	585	523
M.E. Hulshof (appointed July 19, 2022)	169	30	35	9	243	-
					1,586	**1,255**

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board was agreed in 2020 and is comprised of a fixed remuneration that is independent from the Group's results, whereby a distinction is made between the remuneration of the chairman, vice-chairman and that of the other members of the Supervisory Board. Members of the Supervisory Board receive a further remuneration for their respective memberships of committees of the Supervisory Board.

No loans, advances or guarantees have been granted to the members of the Supervisory Board. The members of the Supervisory Board do not possess depositary receipts in Royal HaskoningDHV.

Current and former Supervisory board members:	2022	2021
P.M.M. Blauwhoff (Chairman)	54	52
A.M. Paulussen-Hoogakker	41	40
F.C.M. Roelofsen-van Dierendonck	42	41
D.A. Sperling	45	42
J.S.T. Tiemstra (resigned on March 31, 2022)	11	42
R. Zandbergen (appointed on March 31, 2022)	34	-
	227	**217**

20 Other operating expenses

	2022	2021
Temporary staff	24,805	25,425
Office expenses	34,384	32,986
Travel and accommodation	17,459	11,198
Occupancy expenses	19,466	18,095
Work by third parties	10,382	8,579
Additional personnel expenses	9,218	5,793
Other operating expenses	7,213	4,210
Restructuring costs and other one-off items	1,399	625
	124,326	**106,911**

Restructuring costs include provisions for staff redundancy and an addition to the provision for onerous lease contracts, because of changed conditions.

Travel and accommodation expenses increased significantly in 2022. The main reason for this is the end of the Covid-19 travel restrictions throughout the world.

Included in other operating expenses is a loss on exchange differences of €0.0 million (2021: gain of €0.2 million).

Independent auditor's fees

The following fees were charged by PricewaterhouseCoopers Accountants N.V. to the Group as referred to in Article 2:382a(1) and (2) of the Dutch Civil Code:

	2022			2021
	PricewaterhouseCoopers Accountants N.V.	Other PwC network	Total	Total
Audit of the financial statements	358	134	492	504
Other audit related services	-	-	-	-
Tax-related advisory services	227	3	230	4
Other non-audit services	47	-	47	-
	632	**137**	**769**	**508**

The fees mentioned in the table for the audit of the financial statements 2022 (2021) relate to the total fees for the audit of the financial statements 2022 (2021), irrespective of whether the activities have been performed during the financial year 2022 (2021).

21 Corporate income tax

The major components of the tax expense are as follows:

	2022	2021
Tax liability for current financial year	7,525	7,616
Movement in temporary differences	(304)	241
Adjustment in valuation of deductible losses	(298)	(819)
Adjustment for prior periods	(311)	231
Other adjustments	(374)	(111)
Tax expense	**6,238**	**7,158**

The applicable weighted average tax rate is 24.7% (2021: 23.5%), whereby the weighted average has been calculated based on the results before taxes in the various tax jurisdictions. The tax expense recognised in the income statement for 2022 amounts to €6.2 million, or 31.1% (2021: 31.8%) of the result before tax and share in result of participating interests.

The numerical reconciliation between the applicable and the effective tax rate is as follows:

	2022		2021	
Result before tax	20,028		22,490	
Statutory tax rate NL	5,167	25.8%	5,623	25.0%
Changes related to:				
Utilisation of previously reserved loss carry-forwards	(388)	(1.9%)	(1,113)	(4.9%)
New loss carry-forwards not expected to be realised	90	0.4%	294	1.3%
Non tax deductible goodwill amortisation	1,330	6.6%	2,282	10.1%
Non taxable income	(295)	(1.5%)	(437)	(1.9%)
Non tax deductible expenses	953	4.8%	581	2.6%
Withholding and foreign taxes	316	1.6%	230	1.0%
Tax rate differences	(215)	(1.1%)	(332)	(1.5%)
Prior year tax results	(311)	(1.6%)	230	1.0%
Addition (releases) of other tax liabilities	(154)	(0.8%)	113	0.5%
Tax effects on OCI entries	(62)	(0.3%)	220	1.0%
Rate changes	58	0.3%	(112)	(0.5%)
Tax incentives and other	(251)	(1.3%)	(421)	(1.9%)
Effective tax rate	**6,238**	**31.1%**	**7,158**	**31.8%**

Tax effects on OCI entries:
Result of tax deductible on Other Comprehensive Income relating to FX results (the Netherlands).

Rate changes:
Adjustment of deferred tax assets due to revision of proposed rate changes in South Africa.

Tax incentives and other:
Innovation box, R&D facilities, unrecoverable taxes, withholding taxes, changes in the tax provision and other changes.

22 Number of employees

During the year 2022 on average 5,382 (2021: 5,100) employees were employed by the Group.

The head count (excluding flexible workforce, trainees and minority interests) per end of year by geographical area can be broken down as follows:

	31-12-2022	31-12-2021
The Netherlands	3,513	3,226
Europe (excl. NL)	776	710
Africa, Middle East and India	722	713
Asia Pacific	459	494
Americas	81	69
	5,551	**5,212**

The head count (excluding flexible workforce, trainees and minority interests) per end of year is split by the following business lines:

	31-12-2022	31-12-2021
Water & Maritime	1,553	1,453
Industry & Buildings	1,426	1,331
Mobility & Infrastructure	1,449	1,305
Southern Africa	325	328
Digital	276	264
Corporate Groups	522	531
	5,551	**5,212**

23 Changes in consolidated investments

The following investments and divestments were made in 2022:

	Country	Holding at 31-12-2021	Acquired / divested	Holding at 31-12-2022
Investments:				
Districon Groep B.V.	The Netherlands	0%	100%	100%
Change in ownership %:				
Hydroinformatics Institute Pte. Ltd.	Singapore	67%	8%	75%

24 Related party transactions

The Group's related parties comprise joint ventures, the Executive Board, the Supervisory Board, Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV. An extensive list of subsidiaries and joint ventures is disclosed in the Appendix.
All transactions with related parties are at arm's length basis. The remuneration of the Executive board is included in the Supervisory Board Report. The remuneration of the Supervisory board is included in note 19.

25 Subsequent events

Related to our company portfolio, there is one change in 2023 and one intended change.

Our Canada and US-based consultancy firm InterVISTAS becomes an employee-owned company following a buyout from Royal HaskoningDHV. The separation from Royal HaskoningDHV took place on 1 March 2023 and will allow InterVISTAS the flexibility and freedom to pursue business and opportunities to execute its 2023-2027 strategic plan. Royal HaskoningDHV and InterVISTAS continue their collaboration as trusted partners on strategic projects.
Koninklijke HaskoningDHV Groep B.V. booked a provision of €0.8 million for this transaction in 2022. This can be found in note 14 under accrued expenses.

There is a joint intention for the South African operation to become a local company, majority owned by management and employees in 2023. This will give them flexibility and independence to acquire work in profitable South African market segments that are not in the focus of our Stronger25 strategy. At the same time, it will improve their Broad-Based Black Economic Empowerment status which is needed to secure work in the public sector. Royal HaskoningDHV and the South African operation will continue their fruitful collaboration on strategic projects and the Global Leading Markets of Royal HaskoningDHV. Royal HaskoningDHV will maintain a minority share for at least 3 years.

Company Financial Statements

Company Balance Sheet at December 31, 2022

Before profit appropriation *€ thousands*

Assets	Note	31-12-2022	31-12-2021
Fixed assets			
Intangible fixed assets	27	602	1,175
Financial fixed assets	28	146,956	116,911
		147,558	**118,086**
Current assets			
Receivables	29	25,207	9,798
Cash and cash equivalents	30	41,838	69,866
		67,045	**79,664**
Total assets		**214,603**	**197,750**

Shareholders' equity & liabilities	Note	31-12-2022	31-12-2021
Shareholders' equity			
Issued share capital		5,155	5,103
Share premium		5,203	3,187
Foreign currency translation reserve		(9,243)	(7,439)
Legal and statutory reserves		9,452	7,967
Other reserves		188,422	168,984
Unappropriated result		13,247	14,752
Subtotal	31	**212,236**	**192,554**
Liabilities			
Provisions	32	1,132	1,133
Non-current liabilities		-	2,871
Current liabilities	33	1,235	1,192
Total Shareholders' equity & liabilities		**214,603**	**197,750**

Company Income Statement for the year 2022

€ thousands

	Note	2022	2021
Share of result of participating interests after tax		17,427	18,311
Company result after tax		(4,180)	(3,559)
Net result		**13,247**	**14,752**

Notes to the Company Financial Statements

26 General information

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the financial reporting requirements as set forth in the Guidelines for Annual Reporting in the Netherlands.

Since the income statement for 2022 of Koninklijke HaskoningDHV Groep B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Art. 2:360 part 1, of the Dutch Civil Code.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Participating interests in group companies are accounted for in the Company financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements (note 2.8).

As per year end, the financial instruments that have the legal form of equity, are presented in the equity of the company financial statements.

The share of result of participating interests concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.

For accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement in the Notes to the Consolidated Financial Statements.

The number of employees per end of year was 3 (2021: 2). All employees are located in the Netherlands.

27 Intangible fixed assets

Movements in intangible fixed assets can be broken down as follows:

	Goodwill
At January 1, 2022	
Cost	11,477
Accumulated amortisation and impairment	(10,302)
Carrying amount	**1,175**
Movements	
Amortisation	(573)
Subtotal	**(573)**
At December 31, 2022	
Cost	11,477
Accumulated amortisation and impairment	(10,875)
Carrying amount	**602**
Amortisation rate in %	5 - 20

At each balance sheet date the Group tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exists, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related CGU. The CGU, defined as Business Unit or entity represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The recoverable amount of the relevant CGU is determined on the basis of their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, budget 2023 and further financial projections for four or seven years, depending on the business profile of the CGU. Cash flows after five or eight years, depending on the business profile of the CGU, are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, pre-tax discount rates have been applied, however, since tax is included in our cash flows, post-tax discount rates are considered.

Above mentioned tests did not result in an impairment of any intangible fixed assets.

28 Financial fixed assets

Movements in financial fixed assets can be broken down as follows:

	Participating interests in group companies	Loans to participating interests	Deferred income tax assets	Total
At January 1, 2022	**103,529**	**10,536**	**2,846**	**116,911**
Investments/additions	668	13,149	-	13,817
Repayments/utilisation	-	(2,647)	(2,691)	(5,338)
Reclassification	(653)	665	-	12
Share of result in participating interests	17,427	-	-	17,427
Exchange differences	(1,204)	(242)	-	(1,446)
Dividend	(836)	-	-	(836)
Other movements	6,409	-	-	6,409
At December 31, 2022	**125,340**	**21,461**	**155**	**146,956**

The fair value of the financial fixed assets approximates the carrying amount.

Participating interests

Koninklijke HaskoningDHV Groep B.V. can not be held fully or partially liable for the debts of associates.

In the other movements the remeasurement of the United Kingdom pension fund is included (+€6.4 million (2021: +€6.0 million)).

The participating interests are 100% related to group companies. For an extensive list of participating interests we refer to the Appendix.

Loans to participating interests

Receivables from participating interests includes loans to:

- RHDHV Mijnbouw Delft B.V. of €10.9 million (2021: €0.1 million), bearing 1m Euribor + 1.25% interest;
- HaskoningDHV UK Holdings Ltd. of €3.3 million (2021: €3.5 million), bearing 3m Libor + 2% interest;
- HaskoningDHV Consulting Pvt. Ltd. of €2.2 million (2021: €2.2 million), bearing Base Lending Rate + 2% interest;
- Lanner Group Ltd. of €1.4 million (2021: €0.0 million), bearing BoE Base Rate + 3.75% interest;
- Haskoning International B.V. of €1.1 million (2021: €1.9 million), bearing 1m Euribor + 2% interest;
- InterVistas Consulting Inc. (USA) of €1.0 million (2021: €1.7 million), bearing US Prime Rate + 2% interest;
- InterVISTAS Holding Inc. of €0.7 million (2021: €1.1 million), bearing Canadian Prime Rate + 2% interest;
- Integrated Transport Planning Ltd. of €0.5 million (2021: €0.0 million), bearing BoE Base Rate + 1.5% interest;
- Lanner Inc. of €0.4 million (2021: €0.0 million), bearing 1m USD Libor + 3% interest.

The loans are provided for funding and cash management purposes. All loans are payable at end date, but may be prolonged. Nothing has been agreed in respect of securities. All loans are at arm's length.

The interest income on loans to associates amounted to €0.7 million (2021: €0.4 million).

29 Receivables

	31-12-2022	31-12-2021
Amounts owed from group companies / subsidiaries	4,669	9,569
Loans owed from participating interests	17,380	229
Corporate income tax	3,116	-
Other receivables, prepayments and accrued income	42	-
	25,207	**9,798**

Amounts owed from participating interests, like joint ventures, are treated similar to trade receivables; no interest is charged. All receivables fall due in less than one year. The fair value of the receivables approximates the carrying amount due to their short-term character.

Loans owed from participating interests includes loans to:

- HaskoningDHV Nederland B.V. of €15.0 million (2021: €0.0 million), bearing 1m Euribor + 1.25%;
- HaskoningDHV Polska Sp. z o.o. of €1.1 million (2021: €0.0 million), bearing 1m WIBOR + 1.5%;
- Hydroinformatics Institute Pte. Ltd. of €0.7 million (2021: €0.2 million), bearing SORA + 1.5%;
- Haskoning Singapore Pte. Ltd. of €0.3 million (2021: €0.0 million), bearing SORA + 1.5%;
- Districon Solutions North America LLC of €0.3 million (2021: €0.0 million), bearing 1m USD Libor + 2%.

The short-term loans are provided for funding and cash management purposes. All loans are payable at end date, but may be prolonged. Nothing has been agreed in respect of securities. All loans are at arm's length.

The interest income on loans owed from participating interests amounted to €0.2 million (2021: €0.0 million).

30 Cash and cash equivalents

The cash and cash equivalents balance include deposits of €36.0 million, with a maximum term of maturity of 11 months. These deposits are not immediately accessible.

31 Shareholders' equity

The authorised and issued share capital amounts to €5,155,086, divided into ordinary shares of €1.00 each, split by A and B class shares (with equal voting rights). For further information regarding the shareholder structure we refer to the Appendix

Depositary receipts (DRs) of the B class shares are sold to employees during an annual trade round. In the event that more DRs are offered than requested by employees in any future year, there is an intention to buy back DRs by Stichting Administratiekantoor HaskoningDHV (the "Trust Office"). The maximum percentage of the total number of A and B-shares in Koninklijke HaskoningDHV Groep B.V. that can be bought back is annually determined by the Executive Board and subject to approval of the Supervisory Board. The Annual General Meeting finally approves the yearly percentage.

	31-12-2022		31-12-2021	
	A shares	B shares	A shares	B shares
Stichting HaskoningDHV	4,717,359	-	4,717,359	-
Stichting Adminstratiekantoor HaskoningDHV	-	437,727	-	385,496
Koninklijke HaskoningDHV Groep B.V.	-	-	-	-
	4,717,359	**437,727**	**4,717,359**	**385,496**

During the annual trade round in May 2022 the Trust Office sold a balance of 52,231 DRs to employees (84,213 DRs sold and 31,982 DRs purchased).

Subject to adoption of the financial statements 2022 by the Annual General Meeting, the price will rise by 5.5% to €41.77 per B class share. Including the proposed dividend of €1.33 per B class share the total return for the DR holders is 8.9%.

The movement in DR's managed by Stichting Adminstratiekantoor HaskoningDHV is as follows:

	31-12-2022	31-12-2021
Balance at January 1	385,496	311,471
Trade round (bought)	84,213	104,217
Sold	(31,982)	(30,192)
Balance at December 31	**437,727**	**385,496**

Statement of changes in shareholders' equity

Movement of shareholders' equity can be broken down as follows:

2022	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1	**5,103**	**3,187**	**(7,439)**	**7,967**	**168,984**	**14,752**	**192,554**
Movements							
Legal and statutory reserves	-	-	-	1,485	(1,485)	-	-
Reclassification	-	-	(358)	-	358	-	-
Exchange differences	-	-	(1,446)	-	-	-	(1,446)
Unappropriated result	-	-	-	-	-	13,247	13,247
Transfer result last year to other reserves	-	-	-	-	14,752	(14,752)	-
Shares issued	52	2,016	-	-	-	-	2,068
Own shares sold / (repurchased)	-	-	-	-	-	-	-
Dividend	-	-	-	-	(596)	-	(596)
Other movements in reserves	-	-	-	-	6,409	-	6,409
Subtotal	**52**	**2,016**	**(1,804)**	**1,485**	**19,438**	**(1,505)**	**19,682**
At December 31	**5,155**	**5,203**	**(9,243)**	**9,452**	**188,422**	**13,247**	**212,236**

Movements in last year's shareholders' equity can be broken down as follows:

2021	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1	**5,099**	**3,043**	**(14,094)**	**6,043**	**153,148**	**13,236**	**166,475**
Movements							
Legal and statutory reserves	-	-	-	1,924	(1,924)	-	-
Reclassification	-	-	3,611	-	(3,611)	-	-
Exchange differences	-	-	3,044	-	-	-	3,044
Unappropriated result	-	-	-	-	-	14,752	14,752
Transfer result last year to other reserves	-	-	-	-	13,236	(13,236)	-
Shares issued	4	144	-	-	-	-	148
Own shares sold / (repurchased)	-	-	-	-	2,505	-	2,505
Dividend	-	-	-	-	(409)	-	(409)
Other movements in reserves	-	-	-	-	6,039	-	6,039
Subtotal	**4**	**144**	**6,655**	**1,924**	**15,836**	**1,516**	**26,079**
At December 31	**5,103**	**3,187**	**(7,439)**	**7,967**	**168,984**	**14,752**	**192,554**

The reconciliation of the statutory and consolidated equity of Koninklijke HaskoningDHV Groep B.V. is as follows:

	31-12-2022	31-12-2021
Equity Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	212,236	192,554
Equity DHV Education Foundation	(2,493)	(2,979)
Equity Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**209,743**	**189,575**

The reconciliation of the statutory and consolidated result of Koninklijke HaskoningDHV Groep B.V. is as follows:

	2022	2021
Result Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	13,247	14,752
Result DHV Education Foundation	486	408
Result Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**13,733**	**15,160**

We have included DHV Education Foundation as a consolidated company, given the fact that we have control. In the company statements, DHV Education Foundation is not included. In above tables you can see the effect of this exclusion.

Foreign currency translation reserve

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in this statutory reserve. The foreign translation reserve of €9.2 million includes a.o. investments in South Africa and Turkey.

Legal and Statutory reserves

The legal reserve for participating interests which amounts €3.0 million (2021: €3.7 million) pertains to participating interests that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the Company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

A legal reserve has been formed for capitalised development costs of €6.2 million (2021: €4.0 million). The reserves required under the articles of association (€0.3 million) (2021: €0.3 million) are related to Portugal, Belgium and China.

Other reserves

Included in the line other movements in other reserves is the Defined Benefit Pension Plan United Kingdom. The movement relates to the net balance of actuarial gains and losses, after deduction of deferred tax, in respect of the closed pension scheme in the United Kingdom, which has been directly charged to the reserves. Further reference is made to note 12.

Proposed profit appropriation

Given the profit over 2022, the Executive Board proposes that a dividend of €1.33 per B class share will be distributed to holders of B class shares, representing a value of €582,177. Due to the depositary receipts Rules and Regulations this dividend will be distributed to the depositary receipt holders on a one-to-one basis.

The Executive Board proposes that no dividend will be distributed to the A class shares (see also Dividend per share). The remaining profit of €13,150,823 will be added to the other reserves.

	31-12-2022			31-12-2021		
	Stichting HaskoningDHV	Stichting Adminstratie-kantoor HaskoningDHV		Stichting HaskoningDHV	Stichting Adminstratie-kantoor HaskoningDHV	
	A shares	B shares	Total	A shares	B shares	Total
Number of shares per year-end	4,717,359	437,727	5,155,086	4,717,359	385,496	5,102,855
Earnings						
Allocation of net result over shares in €	12,568,646	1,164,354	13,733,000	14,011,222	1,148,778	15,160,000
Earnings per share in €	2.66	2.66	2.66	2.97	2.97	2.97
Dividend on shares						
Dividend on B shares: 50% of net result in €		582,177			574,389	
Dividend per share in €		1.33			1.49	

32 Provisions

Movements in provisions can be broken down as follows:

	Long-term employee benefits	Other provisions	Total
At January 1, 2022	**33**	**1,100**	**1,133**
Release to profit & loss account	(1)	-	(1)
At December 31, 2022	**32**	**1,100**	**1,132**

Of the provisions €1.1 million (2021: €1.1 million) qualifies as long-term (in effect for more than one year).

Long-term employee benefits

This item relates to future long-service awards. The provision for long service relates to payments to employees on the basis of years of service. The provision reflects the estimated amount of the long-service awards in the future.

The calculation is based on commitments made, retention rates and ages. For key assumptions in the calculations, we refer to note 12.

Other provisions

Other provisions relate to a tax provision for foreign operations. The expected utilisation period of this provision is between one and five years.

33 Current liabilities

	31-12-2022	31-12-2021
Amounts owed to group companies / subsidiaries	85	8
Corporate income tax	-	701
Other taxes & social security contributions	73	47
Other debts, accruals and deferred income	1,077	436
	1,235	**1,192**

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to their short-term character.

34 Commitments and contingencies not included in the balance sheet

At December 31, 2022 the company had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €7.3 million (2021: €7.5 million).

Koninklijke HaskoningDHV Groep B.V. has issued a corporate guarantee to Castor (Amersfoort) B.V., in which it guarantees the fulfilment of the rental obligations related to the head office in Amersfoort. The guarantee amounts to a rental period of maximum five years and the term of the guarantee is equal to that of the lease.

35 Tax group liabilities

Together with its Dutch subsidiaries, the Company forms a fiscal unity for corporate income tax purposes and value-added tax; the standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

Recharges between the Company and its subsidiaries are settled through current account positions. The following method is applied with regard to recharges/allocation of corporate income taxes within the fiscal unity:

Because the Company recharges corporate income taxes within the fiscal unity under the assumption that all group companies are independent tax entities, all deferred tax positions, both deferred tax assets and deferred tax liabilities, are in principle deferred receivables and deferred liabilities of these group companies to the Company.

The Company forms a fiscal unity with:

- HaskoningDHV Nederland B.V.
- HaskoningDHV Asset Management B.V.
- HaskoningDHV Participations I B.V.
- Haskoning International B.V.
- DHV Global Engineering Center B.V.
- DHV NPC B.V.
- Novius Adviesgroep voor Informatie & Organisatie B.V.
- RHDHV Mijnbouw Delft B.V.
- Ynformed B.V.

36 Joint and several liabilities and guarantees

The company has issued no declarations of joint and several liabilities for debts arising from legal acts of Dutch consolidated participating interests.

Amersfoort, the Netherlands
March 16, 2023

Executive Board

E. Oostwegel (CEO)
J. de Wit (CFO)
M.E. Hulshof

Supervisory Board

P.M.M. Blauwhoff (Chairman)
A.M. Paulussen-Hoogakker
F.C.M. Roelofsen-van Dierendonck
D.A. Sperling
R. Zandbergen

Profit Appropriation

Summary of the articles of association provisions governing profit appropriation.

Summary of the articles of association provisions governing profit appropriation Articles 23 and 24 of the articles of association contain (in summary) the following relevant provisions of profit appropriation and dividend:

- The A-shares and the B-shares shall have equal rights to the profit. Insofar as the general meeting does not reserve the profit otherwise, and insofar as no replenishment, takes place out of the profit in any one financial year, this profit shall be added to the retained A surplus and the retained B surplus, and this in the same ratio as that in which the nominal amounts of all the issued A-shares and B-shares, respectively, stand to the issued capital.
- Shares and depositary receipts issued therefore held by the company or a subsidiary thereof, from which no rights to distributions can be derived, shall not be included in the determination of the ratio referred to in the preceding sentence.
- Any addition and replenishment shall take place after the adoption of the annual accounts from which it appears that there is profit available for such addition or replenishment. The company may make distributions to the holders of B-shares and any other persons entitled to the distributable retained B surplus only insofar as the shareholders' equity exceeds the amount which must be maintained under the law. No distributions may be made out of the retained A surplus or out of any reserves other than the retained B surplus.

Subject to provisions of article 23.3, distributions out of a retained B surplus as referred to in paragraph 1, may be made at all times pursuant to a resolution of the general meeting. The general meeting cannot resolve to discontinue a retained surplus. A resolution of the general meeting to proceed to a distribution out of the retained B surplus shall be subject to the approval of the Executive Board. The Executive Board may withhold its approval only if it knows or reasonably ought to have foreseen that the company, after such distribution, will be unable to continue to pay its due debts.

- No losses may be offset against a retained surplus, unless it concerns losses which cannot be defrayed out of a reserve – not being a retained surplus – or offset in any other way and the general meeting resolves, with the approval of all the holders of the shares corresponding with the retained surplus in question, to charge losses against the balance of the retained surplus in question. If and insofar as such is possible, losses shall be charged against the retained surpluses pro rata to the number of issued A-shares and B-shares at the time of the adoption of the aforementioned resolution.
- If a loss has been charged against one or both retained surpluses, as referred to in the preceding sentence, the profits made in the subsequent years shall be applied first of all in replenishing the amount that was charged against the retained surplus or surpluses.
- The general meeting may resolve that dividends will be paid in whole or in part in a form other than cash, but then only in the form of B-shares of the company itself.
- The general meeting can, on a proposal thereto from the Executive Board, decide, an interim addition shall be made to the retained surpluses, either chargeable against the profit or chargeable against a reserve other than a retained surplus.

Participating Interests

Group companies

The following is a list of the main consolidated participating interests of Koninklijke HaskoningDHV Groep B.V., Amersfoort, the Netherlands (unless stated otherwise, all interests are 100%):

HaskoningDHV Nederland B.V.,	Amersfoort, the Netherlands
DHV Global Engineering Center B.V.,	Amersfoort, the Netherlands
DHV NPC B.V.,	Amersfoort, the Netherlands
HaskoningDHV Asset Management B.V.,	Amersfoort, the Netherlands
Novius Adviesgroep voor Informatie & Organisatie B.V.,	Maarssen, the Netherlands
RHDHV Mijnbouw Delft B.V.,	Amersfoort, the Netherlands
Ynformed B.V.,	Utrecht, the Netherlands
Districon Group B.V.,	Maarssen, the Netherlands
Districon Solutions B.V.,	Maarssen, the Netherlands
Districon Solutions North America LLC,	Evanston, Illinois, United States of America
Districon B.V. (Advisory),	Maarssen, the Netherlands
Districon Professionals B.V.,	Maarssen, the Netherlands
Districon International B.V.,	Maarssen, the Netherlands
Stewart Scott International Holdings Pty Ltd.,	Johannesburg, South Africa (76.95%)
Royal HaskoningDHV (Pty) Ltd.,	Johannesburg, South Africa
Steward Scott Investments (Pty) Ltd.,	Johannesburg, South Africa
HaskoningDHV Botswana (Pty) Ltd.,	Gaborone, Botswana
ManCon Projects (Pty) Ltd.,	Johannesburg, South Africa
HaskoningDHV UK Holdings Ltd.,	Peterborough, United Kingdom
HaskoningDHV UK Ltd.,	Peterborough, United Kingdom
Lanner Group Ltd.,	Henley-in-Arden, United Kingdom
Lanner Group SARL,	Courbevoie, France
Lanner Inc.,	Houston, Texas, United States of America
Ambiental Technical Solutions Ltd.,	Brighton, United Kingdom
Ambiental Environmental Assessment Ltd.,	Brighton, United Kingdom
Integrated Transport Planning Ltd.,	Nottingham, United Kingdom
Haskoning International B.V.,	Nijmegen, the Netherlands
PT Haskoning Indonesia,	Jakarta, Indonesia
Haskoning Libya JSC,	Tripoli, Libya (80%)
HaskoningDHV (Malaysia) Sdn Bhd.,	Kuala Lumpur, Malaysia
Royal Haskoning Consulting (Shanghai) Co. Ltd.,	Shanghai, China
Haskoning Singapore Pte. Ltd.,	Vista, Singapore
Haskoning Australia Pty Ltd.,	Sydney, Australia
HaskoningDHV Nigeria Ltd.,	Abuja, Nigeria (88%)
HaskoningDHV Vietnam Co. Ltd.,	Ho Chi Minh City, Vietnam
HaskoningDHV TR Mühendislik A.S.,	Istanbul, Turkey
Haskoning Philippines Inc.,	Manila, Philippines
HaskoningDHV Ireland Ltd.,	Dublin, Ireland
Haskoning International Engineering Consultancy LLC,	Muscat, Oman
Hydroinformatics Institute PTE. Ltd. (H2i),	Singapore, Singapore (75.02%)
Pluvia PTE. Ltd.,	Singapore, Singapore (10%)
HaskoningDHV Participations I B.V.,	Amersfoort, the Netherlands
HaskoningDHV Belgium N.V.,	De Pinte, Belgium
HaskoningDHV Consulting Private Ltd.,	New Delhi, India
DHV Polska Sp. z.o.o.,	Warsaw, Poland
HaskoningDHV Polska Sp. z o.o.,	Warsaw, Poland
HaskoningDHV Moçambique, Lda.,	Maputo, Mozambique
InterVISTAS Holding Inc.,	Vancouver, Canada

InterVISTAS Consulting Inc.,	Vancouver, Canada
InterVISTAS Holding USA Inc.,	Wilmington, Delaware, United States of America
InterVISTAS Consulting Inc.,	Washington D.C., United States of America

Besides the companies in the countries as listed above, the Group has the following branch offices:

HaskoningDHV Nederland Abu Dhabi	United Arab Emirates
HaskoningDHV Nederland Aruba	Aruba
HaskoningDHV Nederland Bangladesh	Bangladesh
HaskoningDHV Nederland Denmark	Denmark
HaskoningDHV Nederland Dubai	United Arab Emirates
HaskoningDHV Nederland Germany	Germany
HaskoningDHV Nederland Israel	Israel
HaskoningDHV Nederland Jordan (Acaba)	Jordan
HaskoningDHV Nederland Jordan (Amman)	Jordan
HaskoningDHV Nederland Luxembourg	Luxembourg
HaskoningDHV Nederland Peru	Peru
HaskoningDHV Nederland Spain	Spain
HaskoningDHV Nederland St Maarten	St. Maarten
Royal HaskoningDHV Lesotho	Lesotho

Non-group companies

Joint Ventures

VOF Tunnel Engineering Consultants,	Nijmegen, the Netherlands (50%)
VOF Railinfra Solutions,	Utrecht, the Netherlands (66.67%)
VOF Royal Haskoning – Arup MC Renovatie Bruggen,	Amsterdam, the Netherlands (50%)
VOF Ontwikkeling Laurentius Ziekenhuis,	Maastricht, the Netherlands (50%)
VOF Ontwikkeling Atrium Santé HaskoningDHV/Huygen I.A.,	Nijmegen, the Netherlands (50%)
Maatschap Benthem Crouwel NACO,	Den Haag, the Netherlands (50%)
VIIA VOF,	Groningen, the Netherlands (50%)
Indigo I/S, Aalborg Consortium,	Aarhus, Denmark (16.6%)
Tshele Hills JV,	Gaborone, Botswana (100%)*
THV Sturino,	Mechelen, Belgium (50%)
THV HaskoningDHV - Wiegerinck - Talboom,	Mechelen, Belgium (50%)

Other non-group companies

Chuchawal – Royal Haskoning Ltd.,	Bangkok, Thailand (48.95%)
Design 103 International Ltd.,	Bangkok, Thailand (48.98%)
HaskoningDHV Saudia Engineering Consultancy LLC,	Jeddah, Saudi Arabia (49%)
Team van Oord Ltd.,	Newbury, United Kingdom (15%)
Shaded Dome Technologies B.V.,	Amsterdam, the Netherlands (33.3%)
HAL24K B.V.,	Amsterdam, the Netherlands (12.5%)
Pluvia PTE. Ltd.,	Singapore, Singapore (22.48%)
Soilco Material Investigations (Pty) Ltd.,	Durban, South Africa (20.32%)
NEXT HaskoningDHV Switzerland AG,	Zurich, Switzerland (49%)

* *Share of an additional 50% in Tshele Hills was acquired in 2021. Share in this JV is not material. JV will be closed in 2023.*

Shareholding Structure

Shareholding structure

Koninklijke HaskoningDHV Groep B.V. has two shareholders: the Stichting ("the Foundation") HaskoningDHV and the Stichting Administratiekantoor HaskoningDHV (“the Trust Office”), which was incorporated by demerger from the Stichting HaskoningDHV. Stichting HaskoningDHV holds all A-shares (being min. 75.5% of the entire issued share capital) and the Trust Office that holds the B-shares (max. 24.5% of the entire issued share capital) equal to the issued certificates. The B-shares allow for the issue of certificates (the depository receipts) to eligible HaskoningDHV staff. The Board of the foundation exists of five members. One member has been appointed by (not out of) the Supervisory Board, the Executive Board and the combined Works Councils respectively. One member has been appointed by and out of the depositary receipts holders (candidate must meet certain qualifications). The fifth member is the Board’s chair and is an independent external individual appointed by the four other members.

Stichting HaskoningDHV ("the Foundation")

The Foundation holds and manages all so-called A-shares (being at least 75.5% of the entire issued share capital) in Koninklijke HaskoningDHV Groep B.V., and has as aim the long-term continuity and sustainable value creation of the company all in accordance with the relevant corporate governance regulations.

This foundation currently holds 4,717,359 A-shares.

Composition of the Board

I. Brakman (Madam Chair)
J. Bout
R. Brouwer
M. Doornekamp
K. Poels

Stichting Administratiekantoor HaskoningDHV ("the Trust Office")

The scope of the Trust Office is to manage the B-shares (representing at most 24.5% of the entire issued share capital) in Koninklijke HaskoningDHV Groep B.V., and to issue and administer the depositary receipts for shares issued to eligible HaskoningDHV staff members. Its Board currently consists of three members. The next Board of the Trust Office will be appointed out of and by the depositary receipt holders.

This foundation currently holds 437,727 B-shares.

Composition of the Board:

E.Th. Holleman (Chairman)
J.D. van Eeden
J.A.M. Leeuwis - Tolboom

Glossary

TERM / ABBREVIATION	DEFINITION
Added value	Operating income less cost of work subcontracted and other external expenses
BIM	Building Information Modelling
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIMS	Compliance Integrity Management System
CSR	Corporate Social Responsibility; the responsibility of a company towards society, the environment and the economy
Earnings per share	Net result / Number of ordinary shares issued
EBITA recurring	EBITA excluding non-operational items
EBITA margin	EBITA recurring / Operating income
ED&I	Equality, Diversity & Inclusion
Employee	People employed directly by Royal HaskoningDHV or one of our subsidiaries
EPCM	Engineering, procurement, and construction management projects
ET Academy	Energy Transition academy
Executive Board	Highest executive body for the daily management of the company
Free cash flow	Cash flow from operating and investing activities
GCO	Group Compliance Officer
GCBP	Global Code of Business Principles
Global Leadership Group	The Global Leadership Group consists of the Executive Board, Executive Council, Corporate Group Directors, Business Line MT members, Directors Advisory Groups and Associate Directors Advisory Groups, Leading Professionals, Corporate Group MT members, direct reports of Executive Board, chairs of YoungRHDHV Boards, and chair of the Works Council in the Netherlands.
GRI	Global Reporting Initiative, international organisation that publishes standards for sustainability reporting
HRM	Human Resources Management
IMS	Integrated Management System
Integrated Report (IR)	Annual report format that integrates general, financial, environmental, and social performance
Net Turnover	Amounts invoiced to clients (excluding VAT), including change in work in progress
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Operating income	Net turnover, including other operating income, excluding non-operational items
QHSE	Quality, Health, Safety and Environment
Return on average shareholders' equity	Net result / Average shareholders' equity
TPA	Third-party assessment
UNGC	United Nations Global Compact
Workforce	Employees and other people working at Royal HaskoningDHV or one of our subsidiaries (such as but not limited to consultants, agency workers, interns)

GRI Content Index

The GRI Content Index presents the GRI Standards disclosures referenced in this report. Access the GRI Content Index online.

Awards and nominations

Royal HaskoningDHV, and our employees, won a number of prestigious awards in 2022. Our most recent awards and nominations are shared on our website.

- Royal HaskoningDHV winners at Global Offshore Wind Awards 2022
- Vrijheidsmuseum Groesbeek was awarded Architecture MasterPrize with Shaded Dome
- Royal HaskoningDHV wins CTBUH 10 Year Award for best time-proven and innovative tall building
- Royal HaskoningDHV JV win SAICE Award for Most Outstanding Civil Engineering Project for Sani Pass
- Best Digital Project at the CandEAwards 2022
- Celebrating the achievements of the UK water sector
- Female colleagues finalists in WICE Awards
- Sabine Bink nominated for the Young Captain award
- Sjoerd Kerstens finalist for the Prins Friso award
- Royal HaskoningDHV wins De Vernufteling 2021

About this Report

The Annual and Sustainability Report 2022 including the Executive Board Report, Sustainability section and Financial statements, has been prepared and approved by the Executive Board of Royal HaskoningDHV and approved on March 16, 2023.

This report covers our global performance in 2022. The financial statements were prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and the pdf document of this report was audited by PricewaterhouseCoopers Accountants N.V. The sustainability information in this report was prepared with reference to the GRI Standards.

Reporting period

Royal HaskoningDHV's Annual and Sustainability Report 2022 presents the financial and sustainability performance of the company between January 1 and December 31, 2022.

Reporting frequency

Royal HaskoningDHV reports annually.

Entities covered in the Annual and Sustainability Report 2022

This report covers all entities consolidated under Royal HaskoningDHV, as presented in the financial statements of the company. The financial statements were prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

Sustainability reporting was prepared with reference to the GRI Sustainability Reporting Standards (GRI Standards). More information on the use of the GRI Standards can be found in the GRI content index.

Scope of external assurance

The pdf version of the financial statements was audited by PricewaterhouseCoopers Accountants N.V.

In case of any discrepancies between the website version and the official annual financial report, please refer to the official annual financial report.

This report was approved on March 16, 2023
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For any questions, feedback, or suggestions on the 2022 Annual and Sustainability report, please contact: marcom@rhdhv.com