Royal HaskoningDHV
Enhancing Society Together

Delivering on our purpose of Enhancing Society Together

Annual Report 2021

Image: Aquasuite is our proven smart water technology that monitors, analyses, visualises and controls the performance of water and wastewater infrastructure through predictive analytics and machine learning.

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Introduction

In 2021, we celebrated our 140th anniversary with all our colleagues in a global online event and local festivities.

Introduction by our CEO

Dear reader,

Welcome! It is a pleasure to share news of our accomplishments and activities in 2021. Once again Covid-19 brought challenge, but we have remained connected and focused, delivering sustainable solutions for our clients and achieving very satisfying financial results.

In this, we were supported by successful collaborations with digital consultancy Novius and sustainable transport planning consultancy ITP who joined our company end 2020. We also strengthened an existing partnership by growing our stake in the Singapore-based company H2i which shares our passion for Enhancing Society Together and aligns with our strategy through its expertise in software and consultancy.

The complexity of the challenges facing society requires advanced levels of cooperation to provide new perspectives on the challenges at hand and come to integrated solutions. In addition, we know that by combining our engineering, design and consultancy with data and digital technologies, we can better support our clients to deliver reliable services to their customers. For example, in the United Kingdom we are working with a water company and others on the biggest proactive wastewater network in the world. Data from numerous sources across the water company's extensive pipe system is aggregated by our artificial intelligence engine Aquasuite to provide predictions and insight for more efficient operations, preventing issues before they become a problem for customers or the environment. In the Netherlands, we are working with Witteveen+Bos and Pilz in a huge project for Rijkswaterstaat to futureproof all sluices, moveable bridges and pumping stations along the river Maas. Many of these structures are reaching the end of their lifespan. Renovating and modernising these together with the control, safety and monitoring systems will allow the structures to be reliable and safe for everyone travelling or crossing the river. Another highlight from our activities has been our work for Redefine Meat to realise its first sustainable 3D-printed meat factory in the Netherlands. From feasibility, design and engineering to construction management, we are taking ownership to help our client achieve plant-based meat production which cuts CO_2 emissions by 95% compared to beef.
In 2021 we also launched our brand campaign featuring more stories about how we drive positive change in projects by exploring different perspectives.

Within our organisation, we invested time and resources to support our people in unlocking their full potential to enhance society together. We value talent in all its diversity and encourage our people to bring their true selves to work because we believe diversity of thought leads to better results. To stimulate contact between colleagues, much missed while working from home, we introduced serendipity calls, virtual lunch breaks, global online events and more. Such meetings and interactions contributed to everyone's enjoyment and engagement.

It was a great pleasure for the whole company to come together to celebrate our 140th anniversary as independent consulting engineers. To mark 140 years of operation, we also organised monthly inspire sessions connecting the past with the present and we published a book with nine great stories from our archives. These stories provide a unique insight into our company and show the ingenuity, friendship and drive at its core, then and now.

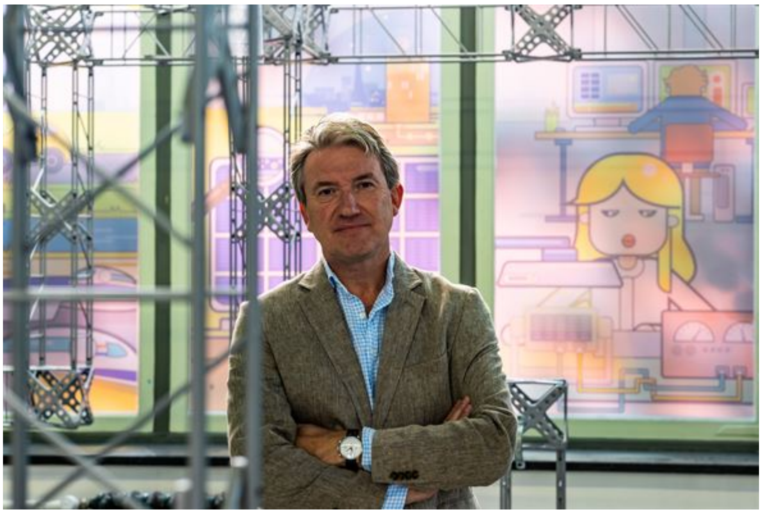
During World Cleanup Day, some 900 colleagues in more than 40 locations around the globe, filled 860 bags with litter while catching up with colleagues they hadn't seen in person for a long time. Even where this wasn't possible due to Covid-19 restrictions, our teams organised alternative initiatives to create a cleaner and healthier world. This, of course, very much aligns with our purpose Enhancing Society Together.

Our engineers, consultants and – more recently – digital experts create the world around us. It's a very important role and we feel a deep responsibility to do it well, adhering to the principles of the UN Global Compact on human rights, labour, environment and anti-corruption. While in 2021 we looked back to past achievements, we also looked forward, co-creating a strategy through to 2025. Enhancing Society Together is central in the strategy and will guide us in client selection and project delivery. We aim to deliver measurable impact in our projects and our own operations across five themes linked to specific UN Sustainable Development Goals. To this end, I am proud to say we have also committed our own organisation to achieve net zero by 2030.

I hope these highlights encourage you to explore this 2021 report which is at the forefront in engaging, interactive content. Last year's report won Bronze in the Digital Communication Awards' CSR & Annual Report category among some 400 entries.

Our 6,000 colleagues never cease to amaze me, and I hope you will be inspired by their passion and creativity too, working with clients and stakeholders to deliver on our purpose of Enhancing Society Together.

Erik Oostwegel
CEO



Scope and approach

Royal HaskoningDHV's Annual Report 2021 is based on financial and administrative documentation from the entire organisation and refers to activities between January 1 and December 31, 2021. The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, audited by PwC. Sustainability reporting, within Key Figures and the Report of the Executive Board, is based on Global Reporting Initiative (GRI) standards and the latest recommendations from the International Integrated Reporting Council.

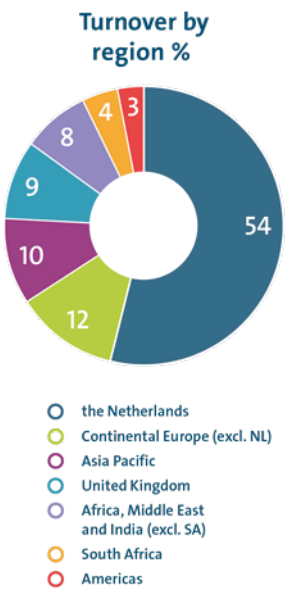
Key Figures

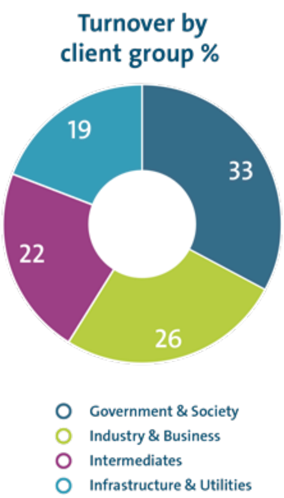
The GemaLink International Container Terminal has won the 2021 Award of Merit for the ENR Global Best Projects Competition in the category Ports/Airports. The project involved the engineering, tendering and construction management services of the civil marine works of the container terminal at Baria-Vung Tau, Vietnam. We received the award for successfully managing the construction site with focus on Health, Safety and Environment (HSE) and for the way we raised the local staff and contractor's HSE and quality awareness.

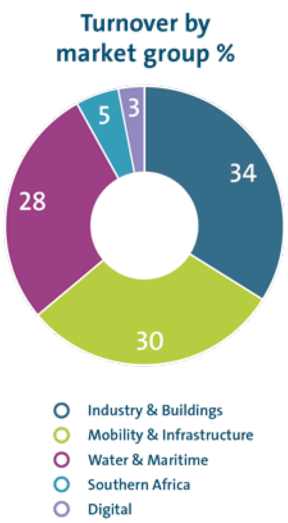
Key Figures

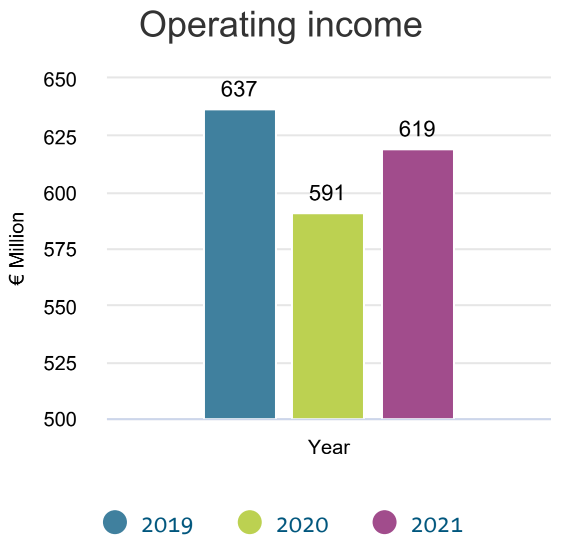
(€ millions, unless stated otherwise)

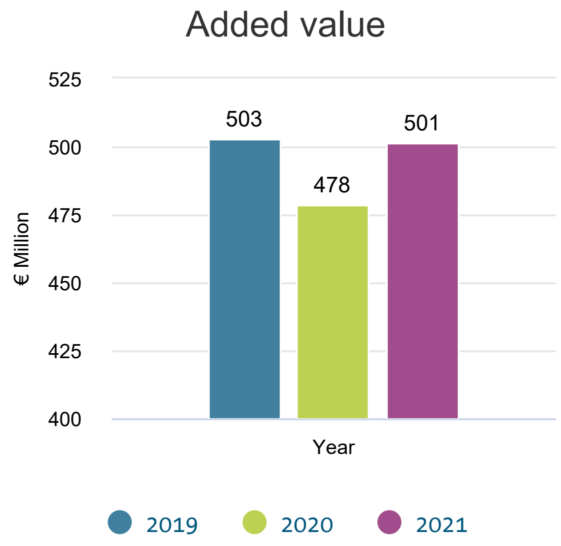
	2021	2020		
Net turnover	**623.7**	**593.9**	**Net turnover**	Amounts invoiced to clients (excluding VAT), excluding invoiced in advance
Operating income	**619.3**	**590.9**	**Operating income**	Net turnover adjusted for change in work in progress, including other operating income, excluding non-operational items
Added value	**501.2**	**478.4**	**Added value**	Operating income less cost of work subcontracted and other external expenses
Results				
EBITA recurring	30.9	28.3	**EBITA recurring**	EBITA excluding non-operational items (restructuring costs and other one-off items)
EBITA	30.3	24.0		
Net result	15.2	13.0		
Return on average shareholders' equity (%)	8.6	8.1	**Return on average shareholders' equity**	Net result / Average shareholders' equity
EBITA margin, recurring (%)	5.0	4.8	**EBITA margin**	EBITA recurring / Operating income
Earnings per share (€)	2.97	2.59	**Earnings per share**	Net result / Number of ordinary shares issued
Balance Sheet				
Total assets	362.5	342.0		
Shareholders' equity	189.6	163.1		
Group equity	189.7	162.8		
Group equity as percentage of total assets (%)	52.3	47.6		
Financial Position				
Net working capital	(8.7)	(14.3)	**Net working capital**	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Free cash flow	9.8	38.3	**Free cash flow**	Cash flow from operating and investing activities

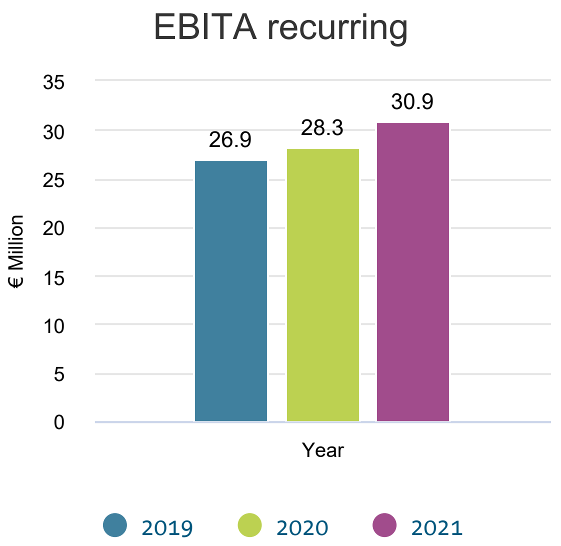


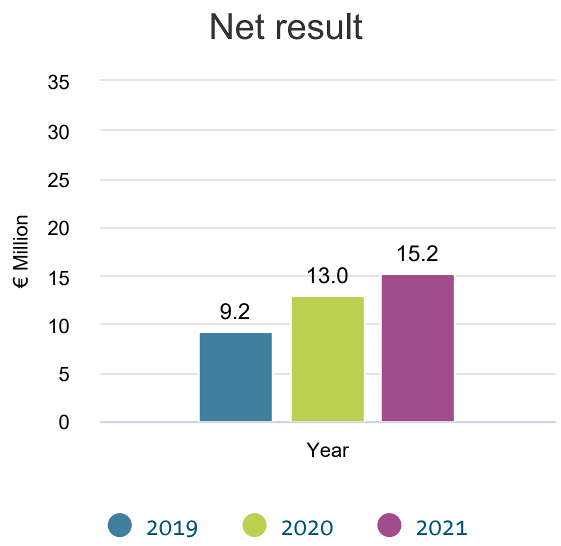












Operating income
619 € million

Shareholder's equity
190 € million

Average workforce
5,721

Average workforce includes: employment contracts, contractors, agency workers, freelancers, trainees and sponsorship students.

Accidents & Incidents

Lost time injury frequency
(per 200,000 workable hours)

2021: 0.05
2020: 0.03

Total recordable case frequency
(per 200,000 workable hours)

2021: 1.05
2020: 0.97

Employees

Year-end data excluding non-consolidated minorities.

Gender split

Employees
74% 26%
2020: 74 & 26

Top 400
78% 22%
2020: 81 & 19

Executive Council
57% 43%
2020: 62 & 38

Executive Board
100% 0%
2020: 100 & 0

Supervisory Board
60% 40%
2020: 60 & 40

Young Professionals

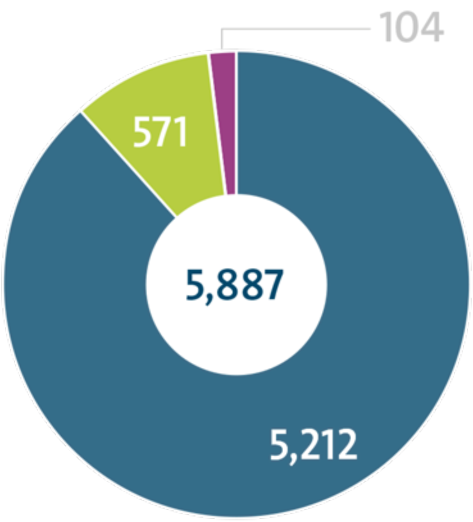
(<35 years)

2021: 1657 (32%)
2020: 1505 (30%)

Employee nationalities

2021: 82
2020: 78

Workforce



- Employment contracts
- Contractors / Agency workers / Freelancers
- Trainees / Sponsored students

Workforce is the number of employees per December 31, 2021.

CO_2 Footprint per employee

CO_2 footprint
(tonnes CO_2 equivalent per employee)
2021: 1.03
2020: 1.11
-56.5%*

CO_2 footprint for office buildings
(tonnes CO_2 equivalent per employee)
2021: 0.22
2020: 0.25
-31.8%*

CO_2 footprint for business travel by car
(tonnes CO_2 equivalent per employee)
2021: 0.65
2020: 0.60
-36.9%*

CO_2 footprint for business travel by plane
(tonnes CO_2 equivalent per employee)
2021: 0.22
2020: 0.26
-78.6%*

* *Trend to 2019.*

Our Company

The work of our consulting engineers touches every aspect of the built environment – from transport systems to water technology, climate resilience to data connectivity, energy production to food networks, and more.

Our Company

Royal HaskoningDHV is an independent consultancy which integrates 140 years of engineering expertise with digital technologies and software solutions. As consulting engineers, we care deeply about our people, our clients and society at large. 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 solutions to local and global issues related to the built environment.

Change is happening. And it's happening fast – from climate and digital transformation to customer demands and hybrid working. The speed and extent of these changes create complex challenges which cannot be addressed in isolation. New perspectives are needed to accommodate the broader societal and technological picture and meet the needs of our ever-changing world.

Backed by the expertise of almost 6,000 colleagues working from offices in more than 25 countries across the world, we are helping organisations to turn these challenges into opportunities and make the transition to smart and sustainable operations. We do this by seamlessly integrating engineering and design knowledge, consulting skills, software and technology to deliver more added value for our clients and their asset lifecycle.

We act with integrity and transparency, holding ourselves to the highest standards of environmental and social governance. We are diverse and inclusive. We will not compromise the safety or well-being of our team or communities – no matter the circumstances.

We actively collaborate with clients from public and private sectors, partners and stakeholders in projects and initiatives. Our actions, big and small, are driving the positive change the world needs, and are enhancing society now and for the future.

Our head office is in the Netherlands, and we have offices across Europe, Asia, Africa, Australia and the Americas.

Our Global Leading Markets and the Netherlands

The need for solutions to the complex challenges faced by countries, societies and businesses is more important than ever. In this, Royal HaskoningDHV has an important role to play.

We design, safeguard, and maintain assets in our living environments that form the backbone of society – from buildings and infrastructure to energy and water supplies, industrial sites, transport systems and more.

We aim for growth in nine global leading markets where we have a strong position and are renowned for our expertise – allowing us to innovate, attract clients and talents, and be profitable. In these markets we would like to operate on a global scale, offering three main services:

- Engineering and design services – building on our deep domain knowledge and ability to tackle clients' complex demands,
- Consultancy services – being a trusted advisor for clients who are increasingly considering total cost of ownership,
- Software and technology – supporting clients to optimise the performance of their assets by combining software and technology with our domain knowledge.

Global Leading Markets

Climate resilience

Our focus is on creating resilient strategies and systems for governments, businesses and industries, enabling them to cope with extreme weather events and keep climate-related damage and losses to a minimum. By combining expertise in flood protection with predictive analysis, forecasting and early warning, we are increasing climate resilience for communities, critical infrastructure and the global supply chain.
Read more about climate resilience on our website

Data centres

We have been involved in the emergence and development of data centres and other mission critical facilities from the pioneer phase, delivering facilities that enable business, operations and systems to operate continuously. From our market-leading position, we are continually innovating to enable data centres to run more effectively and efficiently, with increasing reliability, while using less water and energy. We are mindful of the wider environment, optimising space, ensuring architecture is appropriate, and embracing synergies such as heat exchange with local homes and businesses.
Read more about data centres on our website

Intermodal transport hubs

Intermodal transport hubs bring together the seamless integration of air, rail and road services which are central to the infrastructure of modern economies. Having defined world-leading airport design for over 70 years, we are leading the way in pioneering solutions for multi-modal transport hubs to deliver improved accessibility and sustainable growth. From intermodal transit links and crowd control, to master planning and infrastructure design, we're shaping the new generation of sustainable intermodal transport hubs.
Read more about intermodal transport hubs on our website

Light industry

Ever-changing consumer demand and behaviour are driving transformations in global light industry. We help our clients stay ahead by developing modular, flexible, automated, and sustainable solutions to meet escalating demands. Our services cover the whole supply chain, from business case consultancy to manufacturing, process engineering, and supply chain and operations consultancy. We support product manufacturers to expand into new countries, adapt to changing patterns of demand, reduce their time-to-market and adopt new technologies to manage risk, remain competitive and future proof their investments. Supply chain planning, efficient production strategies and sustainable manufacturing are all part of the mix.
Read more about light industry on our website

Maritime

Our global maritime consultants specialise in the planning and design of marine facilities, ports, terminals, and shipyards. We help our clients with the transition to smarter and greener ports, improving their performance, energy efficiency, environmental standards and safety by combining our knowledge of marine structures and operations with digital solutions.
Read more about maritime on our website

Renewable energy & Decarbonisation of industry

As frontrunner in the energy transition, we combine technical expertise and management consultancy to support clients with strategy and programmes for the transition to a low carbon economy. We work on a large variety of projects, from offshore wind and renewable energy infrastructure to advising regions in the Netherlands how to move away from natural gas. We also advise building owners on reducing their energy use and moving to renewable sources.
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 well-designed sustainable mobility focuses on 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

Extensive knowledge combined with our digital experience enables us to help clients with tailored technological solutions for water supply and wastewater to create the water utility of the future. We develop, design and implement smart solutions and software so clients can improve operations, provide safe water at affordable cost, and treat wastewater to high standards while saving on energy and recovering valuable resources. We continue to innovate and bring new solutions to the market together with our partners, such as Nereda, Nereda Package Plants, Ephyra, Kaumera, and our digital twin and Aquasuite software.
Read more about water technology on our website

The Netherlands

In the Netherlands we are the market leader with our full portfolio of services – a position we aim to strengthen. Governments, corporate clients and knowledge institutes in the Netherlands recognise us and involve us in future developments across the board. This reflects our scale, brand and innovation position in the Netherlands and creates a level of comfort for further growth and development. Best practices in our global leading markets around the globe will underpin our position in the Netherlands. In turn, we can apply the expertise developed in the Netherlands and in our offices around the world to grow our global leading markets.
Read more on our Dutch website

Our stakeholders and how we engage

The environment, society and economies are facing complex challenges which cannot be addressed in isolation, which is why we work in close collaborating with clients and stakeholders.

Employees

Our people are the cornerstone to deliver our services, enable our strategy and make a difference when they bring their diverse perspectives together. We are unlocking the full potential of our leaders, our teams and every employee to help our company become even stronger and more successful. We actively promote equality and diversity in all its forms and pay close regard to individuals' physical and mental well-being.
More information is available in the chapter Our People.

Clients

We work for private companies of all sizes, from multinationals to small and medium-sized enterprises. Our clients also include national, regional and local governments across the world, as well as international semi-governmental and not-for-profit organisations, and finance institutes.

Our clients' overall satisfaction is an important indicator of our performance as a company. We measure it in various ways, including via client satisfaction surveys when a project is completed.

Comments from clients who scored us an 8 or higher on overall project satisfaction include:

'I had the pleasure of working with Royal HaskoningDHV as our design partners on a multi-million euro pharmaceutical project. The team's knowledge, innovation and attention to detail played a vital role in the successful delivery of the project. I look forward to working with them again in the future.'

Client: FESP International
Project: Engineering services for a pharmaceutical facility, the Netherlands

'The Royal HaskoningDHV team has been an excellent designer for us on this project and brought the required expertise in a very professional and collaborative manner. They were always available for consultation and discussion to get the appropriate balance between construction and customer needs.'

Client: John Sisk & Son (Holdings)
Project: Isle of Man Ferry Terminal, United Kingdom

'Drafting communications is key in any project and is vital for disaster management. Royal HaskoningDHV is the best in this respect.'

Client: King Cetshwayo District Municipality
Project: Disaster management risk assessment, South Africa

'We have been very happy to have Chuchawal-Royal Haskoning as our representative. The team's technical expertise and project management added value and contributed to the project's success.'

Client: Beiersdorf
Project: Factory expansion, Thailand

'Royal HaskoningDHV is able to signal potential technical traffic control problems in a complex environment. The consultants of Royal HaskoningDHV know how to make the right decisions and provide solid doable technical solution.'

Client: Province of Utrecht
Project: Level crossing at Maarsbergen, the Netherlands

'Royal HaskoningDHV provides pro-active digital thinking support and do what they say.'

Clients: DCMR Milieudienst (Environment Agency) Rijnmond
Project: Digital mapping wet colling towers, the Netherlands

'Royal HaskoningDHV should be proud of what they have achieved in bringing this incredibly complex fish pass project to a reality. The unique constraints of the location have led to a fully bespoke design, while also achieving the optimal conditions for fish passage at the largest barrier in the Midlands.'

Client: Environment Agency
Project: Fish pass designed to aid migration around sluice gates, United Kingdom

'It was a pleasure to work with the engineers from Royal HaskoningDHV. They are responsive and supportive, making it easy to accomplish the tasks expected of them. They are open to suggestions and feedback to improve their work and are excellent facilitator-educators, which allowed other professionals to learn new knowledge, skills and abilities.'

Client: CEST, Incorporated
Project: Training for water supply and sanitation project, the Philippines

Partners and associations

It is through an integrated, open and collaborative approach with partners and associations that we can accelerate innovation and multiply positive impact, securing our position at the forefront of solutions for key global trends.

Strategic partnerships

In 2021, we deepened our existing partnership with water information consultancy Hydroinformatics Institute (H2i) in Singapore by acquiring a majority interest. It strengthens an ambitious and successful union which is agile enough to rapidly address risks associated with climate change.

Driven by demand for digitalisation and automation in the water industry, we have joined forces with Mitsubishi Electric Europe to develop specialised automation controls enabling water companies to optimise the performance and efficiency of their plants. As part of this strategic partnership, we aim to integrate our software solution Aquasuite with Mitsubishi Electric's high-end hardware. Another strategic partnership involving Aquasuite was signed with Gain Automation Technology. Combining their expertise in industrial and technical automation ensures Aquasuite is optimally configured and connected to the clients' processes and technologies.

Throughout our business, developments in digital engineering are supported by ongoing partnerships with leading engineering software providers, Autodesk and Bentley.

Technology partners

Revolutionary developments in bridge design and construction that we have been working on in partnership with DSM Additive Manufacturing, now Covestro, are ongoing. Progress made in 2021 is resulting in the delivery of a lightweight, 3D-printed circular composite pedestrian bridge to the city of Rotterdam in the Netherlands in 2022. This first bridge heralds the transition to the next generation of bridges offering high performance with extreme versatility, circularity and sustainability.

Networks and partnerships continue to be central to the growing number of installations of our wastewater technology Nereda, and to further innovation. At the end of 2021, the Nereda community includes 15 licensees and 9 preferred suppliers and is active in several research consortia. Over 90 Nereda plants are in operation or under construction worldwide which, on completion, will bring high-quality wastewater treatment to more than 10 million people across 21 countries. In the United Kingdom, our first Nereda Package Plant at United Utilities' site in Westnewton won the Wastewater Innovation Project of the Year at the Water Industry Awards. This small-scale Nereda reuse solution also won the Vernufteling 2021, an annual jury prize for the most innovative Dutch engineering project with real societal value.

Business partnerships

We signed a Memorandum of Understanding with CPG Consultants for climate change adaptation studies in Singapore to facilitate knowledge transfer and build expertise. CPG is leading a site-specific study to develop a climate resilience masterplan and formulate climate adaptation measures for integrated coastal protection on behalf of Singapore's National Water Agency PUB. We are providing expertise in water management, coastal protection and waterfront developments.

A collaboration with Jacobs and Detectronic is leading to the adoption of our smart water technology Aquasuite by one of the largest water companies in the United Kingdom. We are also collaborating with GMB Services to help water authorities in the Netherlands optimise their processes and business operations. The multi-year collaboration provides a one-stop shop for water authorities for integrated hardware and software solutions in wastewater transport systems, water purification and sludge dewatering installations, among others.

Partnerships are also successfully extending the reach of our climate risk data to support better decision making around flood and climate risk management. Ambiental Risk Analytics, one of our companies, is working with several resellers to bring this leading-edge data to a broad customer base. In 2021, it forged a very successful partnership with Hometrack, enabling Hometrack to deliver a climate change risk solution to mortgage lenders. Together with HSBC, Hometrack's solution, driven by expertise from Ambiental, won the 'Best Use of Technology' in the Credit Risk category of the Credit Awards 2021.

Within the next decade, industry in Europe needs to reduce CO_2 emissions by more than 50%. To assist, we have joined forces with engineering construction company SPIE Nederland in a partnership that focuses on identifying, developing and implementing a multi-year programme for the industry to meet this goal. Furthermore, with the help of an investment partner, we are able to offer an alternative model where the industry purchases the use of sustainable and predictable utilities without direct investment.

In seeking to improve the sustainability of aviation, the contribution of baggage is often overlooked. To address this and reduce the environmental impact of baggage handling operations, our company NACO (Netherlands Airport Consultants) has partnered with BagsID Network to launch the Green Baggage Alliance.

Associations across industries

We play an active role in industry organisations and contribute ideas and experiences, attend conferences, and collaborate on themes. For example, our Resident Director Netherlands is Board Member of NLengineers, the Dutch association of consulting engineers, which actively participates in the societal, political and public debates as a content driven and constructive partner.

In the United Kingdom our Executive Director is Vice Chair of the Association of Consultancy & Engineering (ACE) Board and leads the future of consultancy workstream. The ACE's Future of Consultancy campaign provides guidance and thought leadership to members, clients and policy makers on how to deal with the challenges presented by climate change, digital technology and the skills needed for the future. In 2021, the campaign successfully delivered a client guide to engaging consultants in a disruptive world (Consultancy 4.0). This was supplemented with programmes on leadership, future skills and using data and digital technology to deliver better outcomes.

We are also actively involved with PIANC, the global organisation providing guidance and technical advice for a sustainable waterborne transport infrastructure. In 2021, we have been leading the drafting and re-drafting of several of the BS6349 standards for shipyards which are recognised globally.

In 2021, we became member of the Sustainable Digital Infrastructure Alliance to contribute our knowledge and expertise towards shaping today's and tomorrow's digital infrastructure.

We also continued to organise webinars to share knowledge and best practice, for example on how simulation can help futureproof business, how smart mooring is improving port operations, and on how our Uptime tool helps assess climate risks for assets and facilities. The future of offices and workplaces was a major topic for organisations in 2021 and a Round Table event we held enabled visions, insights and experiences to be shared with companies including Achmea, Booking.com, Nike, Coty and more.

Knowledge networks

Our multi-year partnership with Delft University of Technology to collaborate in research, field labs, innovation, start-ups, education and talent bared fruit in various areas in 2021. For example, in research and education we assisted four teams involved in the Joint Interdisciplinary Project with investigations on the energy transition, water storage in the Mekong Delta, global climate change risk mitigation and a 3D-printing quality control system. We also participated in the committee developing a new Masters Programme in Environmental Engineering in the Faculty of Civil Engineering and Geosciences. In 2024, we will open on the TU Delft Campus a new sustainable and Paris Proof office in the monumental Mining Faculty, to become more intertwined in the Delft innovation ecosystem.

In 2021, our Global Director BIM/Digital Engineering was appointed Board Member of bSI, the worldwide authority driving the digital transformation of the built asset environment.

We signed a collaboration agreement with the Amsterdam Institute for Advanced Metropolitan Solutions to support its climate resilience activities as an innovation affiliate. This includes support to the development of a City Resilience Scan which takes cascading effects into account in measuring the climate resilience of cities.

To support our ambitions on biodiversity we partnered with the Dutch Delta Plan for Biodiversity Recovery. Through this partnership, we commit to work on the recovery of biodiversity in the Netherlands and continue to integrate ecological added value and biodiversity into our projects.

We have joined the CCAM Association which promotes and facilitates competitive research on Connected, Cooperative and Automated Mobility (CCAM). Through it, we will share insights on the safe and smooth integration of automated vehicles in the transport system, and work together to create more inclusive and sustainable mobility.

In the United Kingdom, we sponsor an annual competition for research projects by students on the Maritime Masters programme. In the Netherlands, we also supported VIRTUe, a multi-disciplinary international team from Eindhoven University of Technology, which took part in the Solar Decathlon Europe 2021 with the aim of creating a global solution with relevance beyond the competition requirements.

Governments and International institutions

We engage with governments and international institutions sharing insights, expertise and information to support the international trade and sustainability agenda. Once again, opportunities to participate in trade missions, round tables and collaborative ventures were reduced in 2021 by the pandemic. A major focus for everyone interested in the future of the planet was the UN Climate Change Conference, COP26. We followed developments closely and our leading professionals shared observations. In his review, our leading professional for Enhancing Society Together reported cautious optimism as a result of the growing strength and momentum of private sector activity on greenhouse gas reduction.

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 add value in the way we approach projects through stakeholder management to incorporate and respond to input from the local community. We also support communities in which we work through individual and corporate initiatives. Information about these activities appears in the Enhancing Society Together chapter.

Suppliers

We expect high standards from our suppliers and aim to develop lasting relationships with reliable partners. 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). The Foundation holds and manages all A-shares (being at least 75.5% of the entire issued share capital) and the Trust Office holds and manages all B-shares (representing at most 24.5% of the entire issued share capital) that allow for the issue of 'company shares' to all employees in the Netherlands, United Kingdom, South Africa, Poland, Australia and Canada. Through these shares employees can build an interest in the company, feel engaged and become more involved. At the end of 2021, 2,015 employees held certificates which is 59% more than the year before and partially because more employees decided to receive their variable pay in 2021 in the form of company shares. Read more about the Foundation and the Trust Office on our website

Our Leadership

How can global food manufacturers cater to a new generation of consumers who crave innovation? When one food manufacturer approached us with the question, we set in a motion a collaboration that could forge the future of factory design - localising global food production.

Our Leadership

Executive Board and Executive Council

From left to right:

Jasper de Wit	CFO
Erik Oostwegel	CEO
Meike Salvadó	Director Human Resource Management
Marije Hulshof	Business Line Director Industry & Buildings
Anton van der Sanden	Business Line Director Mobility & Infrastructure
Anke Mastenbroek	Business Line Director Southern Africa
Niels Schallenberg	Business Line Director Water & Maritime and Business Line Director Digital

Royal HaskoningDHV is organised globally across five Business Lines. Each Business Line Director has an integral responsibility and reports to the Executive Board, which is overseen by the Supervisory Board. The business is supported by Corporate Groups, which include Strategy, Project Excellence, HRM, Finance, Legal Affairs, Workplace Solutions, and Brand, Marketing & Communications.

In 2021, the Executive Council consisted of the Executive Board, the Business Line Directors and the Corporate Director HRM. They convened regularly and discussed topics including the new strategy Stronger25, development of the Business Line Digital, key accounts, value propositions and more.

Two meetings of the Extended Executive Council, consisting of the Executive Council and the Corporate Group Directors, were held. Individual Corporate Directors were also regularly invited to Executive Board and Executive Council meetings depending on the agenda items.

Supervisory Board

From left to right:

Daan Sperling	
Francine Roelofsen-van Dierendonck	
Angelique Paulussen-Hoogakker	
Peter Blauwhoff	Chairman
Tjalling Tiemstra	

Read more about our leadership on our website

Report of the Supervisory Board

The Supervisory Board is pleased to present the 2021 Royal HaskoningDHV Annual Report, including the Financial Statements, as prepared by the Executive Board. The past year continued to present challenges due to Covid-19 restrictions worldwide. Nevertheless, the overall results are good, which we are very pleased about. The Supervisory Board compliments employees and management for the flexibility and determination they have demonstrated in the pandemic so far to deliver responsible and sustainable solutions for clients and drive the company's strategy.

The Supervisory Board is delighted that the high quality of consultation that takes place between the Works Council, the Supervisory Board and management has been recognised with an award. In November 2021, Royal HaskoningDHV was awarded the Triangle 3D Trophy by the Dutch Alliance for Participation and Governance. The award recognises the effectiveness and robust nature of structural and informal consultation within the triangle covering employee participation, management and supervision. This is an important success factor for decision making within Royal HaskoningDHV. The Supervisory Board is proud of this award which reflects the mutual respect and will to carefully listen to each other. Read more about this award on our Dutch website.

The Financial Statements are prepared by the Executive Board, audited by the independent auditor and signed following consultation with the Supervisory Board. Given the 2021 result, we support the proposal of the Executive Board to pay a dividend of €1.49 per share.

We recommend that the 2021 Financial Statements are adopted by the Annual General Meeting and the Executive Board is granted discharge with respect to its management and the Supervisory Board for its supervision during the financial year 2021.

The company has a two-tier Board structure. The Supervisory Board advises and supervises the Executive Board of the company in setting and achieving the objectives, strategy and policies. The members of the Supervisory Board are nominated by the shareholders. The Supervisory Board operates fully independently of the Executive Board, is guided by the interests of the company, and shall take relevant interests of all company stakeholders into account. The Supervisory Board also has continuously due regard for corporate social responsibility and culture matters that are relevant to the company.

The Supervisory Board has two committees, an Audit Committee and a Remuneration and Appointment Committee, that prepare the decision-making process for the full Supervisory Board.

Supervisory Board meetings

Due to the pandemic, the full Supervisory Board convened physically only three times in 2021 in two office locations in the Netherlands, complying with the specific Covid-19 regulations that were valid at the time of those meetings. Three other meetings were held by means of video calls. We are pleased to report that all members of the Supervisory Board attended all regular meetings.

There was continued attention on steps taken by the organisation to manage the impact of the pandemic and on the well-being and engagement of staff, particularly the work-life balance.

Main items on the agenda included, QHSE, compliance and integrity, investments (Mijnbouw building Delft, increase shareholdings Hydroinformatics Institute Ltd. (H2i) from 25% to 67%, insourcing of part of ABN AMRO Asset Management team), remuneration policy, succession planning, talent development, strategy, digitisation, performance of the company, financial results, claims and risks, and the annual plan.

Furthermore, the Supervisory Board monitored and advised on developments in the company and its strategy. In its meetings, the Supervisory Board was regularly informed about the execution of Strong22 and was involved in the creation of its successor, Stronger25. Two additional meetings of the Supervisory Board and Executive Board were spent on the development of the strategy and on the principal risks associated with the strategy. In one of those meetings, the Executive Council participated. The execution plan of Stronger25, including financial parameters and operational milestones, will be closely monitored in the 2022 Supervisory Board meetings.

During its meetings the Supervisory Board discussed the importance of sustainability. The Supervisory Board expects Royal HaskoningDHV to challenge and assist its clients to implement sustainable solutions where also the society at large should benefit from. In the context of 'Enhancing Society Together' close attention was paid to themes like climate change and the energy transition, biodiversity and natural systems, resources and circularity, social value and equality, and safety and well-being.

In addition to the formal Supervisory Board meetings, informal meetings between the members of the Supervisory Board and the Executive Board took place. Almost every month there have been bilateral meetings between the Chairmen of the Supervisory and Executive Boards. Furthermore, members of the Supervisory Board participated in meetings with the Dutch Works Council and with the Boards of Stichting HaskoningDHV and Stichting Administratiekantoor HaskoningDHV.

Audit Committee meetings

The Audit Committee is composed of two members, Tjalling Tiemstra (Chairman) and Daan Sperling. It met on four occasions with management, the internal auditor and independent auditors. The committee also met with the internal and independent auditors without the presence of management.

Topics on the agenda were the financial statements, the annual plan, cash management and working capital, refinancing, compliance with bank covenants, tax policies, pensions, risk management and developments in ICT and ICT security. In addition, the internal and independent auditor's audit plan and audit report and the independent auditor's management letter were discussed. Furthermore, the evaluation of the external auditor was discussed, including the auditor independence. The financial results and extended business analysis were on every meeting's agenda.

Remuneration and Appointment Committee meetings

Current members are Francine Roelofsen-van Dierendonck (Chairwoman), Peter Blauwhoff and Angelique Paulussen-Hoogakker. In 2021 the committee convened in scheduled meetings four times. Topics on the agenda were amongst others succession management and remuneration of the Executive Board. In addition, the Remuneration and Appointment Committee met with several senior leaders in the company and, furthermore, completed the process for the succession of Tjalling Tiemstra who will leave the Supervisory Board at the end of his second term at the Annual General Meeting in 2022.

This year, the Supervisory Board performed its self-evaluation with the support of an external consultant, the Governance University. Interviews were held with the individual Supervisory Board and Executive Board members. The outcome of these interviews was the basis for a plenary session of the Supervisory Board in which topics discussed included its organisation, way of working and culture of the Supervisory Board and its committees. The effectiveness and focus of the Supervisory Board were discussed as well. The Board concluded that in general it functioned well and some improvement actions and adapted working arrangements for the Board were agreed upon. The main findings of the self-evaluation will be discussed with the Executive Board. We further refer to the Remuneration Report in Notes to the Consolidated Financial Statements.

Profile and composition of the Supervisory Board

The Supervisory Board is properly constituted according to the Articles of Association and its members possess the desired competencies in accordance with the profile of the Board and are independent in the performance of their duties and responsibilities. The current Board consists of five members. A reappointment and resignation scheme has been agreed for the coming years. In 2022 Tjalling Tiemstra's second term as Supervisory Board member will end, and a successor has been identified. Background information on the Board is available on our website.

Diversity

The Supervisory Board consists of two female and three male members, all of whom are of Dutch nationality. The Executive Board consists of two male members, both of Dutch nationality. The Executive Council (excluding Executive Board) consists of 60% female and 40% male members. The Supervisory Board continues to strive and achieve a balanced composition of both the Executive and the Supervisory Board in terms of gender in the future.

Corporate governance

The Royal HaskoningDHV Corporate Governance report and further information concerning the remuneration policy, the Code of Conduct, the SpeakUp Line and regulations for the Executive Board, Supervisory Board, Audit Committee and Remuneration and Appointment Committee are in line with the Corporate Governance Code and can be found on the company's website. The remuneration of the Executive Board is included in the Remuneration report below. The remuneration of the Supervisory Board and the Executive Board is reported in the Financial Statements, which forms part of this Annual Report.

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.

In closing

The Supervisory Board is, in general, very positive about the future of Royal HaskoningDHV. We thank our clients for their continued trust in the company, and appreciate the achievements made in 2021 in a challenging environment. We conclude by recognising the personal commitment and loyalty of all staff which has played such a significant role in the resilience shown by the company in 2021. We are convinced that the dedication of the entire team, in combination with the revised strategic focus, will see positive impact in the years ahead.

Amersfoort, the Netherlands
March 18, 2022

Supervisory Board

P.M.M. (Peter) Blauwhoff (Chairman)
A.M. (Angelique) Paulussen-Hoogakker
F.C.M. (Francine) Roelofsen-van Dierendonck
D.A. (Daan) Sperling
J.S.T. (Tjalling) Tiemstra

Remuneration report

Adoption of remuneration policy

The Supervisory Board approved the remuneration policy for the Executive Board of Royal HaskoningDHV on the basis of a proposal of the Remuneration and Appointment Committee. 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. The remuneration policy was adopted by the General Meeting of Shareholders in 2020.

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 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.

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. 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 (portfolio composition, culture 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 their 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 2021

Fixed income component

The Supervisory Board decided, within the remuneration policy adopted by the General Meeting of Shareholders in 2020, to increase the fixed renumeration of the Executive Board members. Due to the Covid-19 situation, the increase of the fixed remuneration of the Executive Board members, was only implemented in 2021.

Variable income component

According to the remuneration policy adopted by the General Meeting of Shareholders, 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 2021.

The ratio of the combined remuneration of the Executive Board relative to the average of Royal HaskoningDHV (Netherlands staff) for 2021 is 7.1 (2020: 7.4), with the CEO at 8.3 (2020: 8.9) and the CFO at 6.0 (2020: 5.9).

The Remuneration and Appointment Committee 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.

Report of the Executive Board

Our Strategy

Header image: Digital transformation is creating new challenges for organisations in every sector. Meanwhile, along come new opportunities like the digital twin: a virtual copy of a real-world asset, process or system. This virtual copy provides insight into how assets behave under simulated conditions, helping our clients to improve decision-making and optimise assets and operations.

Trends and developments

Our world is changing and so must we. Climate reports, like the IPCC 2021 report, say there is no time to waste to take the necessary actions to reduce climate change and mitigate its impact. There is a widespread need to build a future in which people, business and the environment are safe and can thrive in harmony.

The urgency of the climate and environmental challenge, together with Covid-19 and geopolitical shifts, are prompting new questions from our clients – increasing our opportunity for influence. Supply chains are being reconsidered and companies are re-evaluating physical assets to reduce their emissions towards net zero and increase flexibility and resilience. Lifecycle thinking is emerging as organisations seek opportunities to improve their carbon footprint and operational efficiency. Additionally, there is a growing trend to build for use and create circular structures which can be re-purposed for future applications.

At the same time, digital technologies are increasingly being adopted by the market. Automation brings new insights and solutions. It has already changed many industries and will do the same for design and engineering, impacting our business model. Data collected and software used in designing and constructing buildings and infrastructure can also play an important role in the operational phase. Furthermore, the use of ecosystems of digital twins representing assets, processes and systems will improve efficiency, lower costs, and help to solve complex challenges.

We also see the competitor landscape is changing with for example financial consultants offering environmental consultancy services, construction companies offering digital engineering and start-ups offering low-cost design tools. This is driven by the forementioned digital adoption by the market but also by clients requiring more comprehensive advice and support.

Last but not least, the war on talent is real, especially in our sectors of engineering, design and (digital) consultancy and also for software and technology.

To become future ready and continue our purpose of enhancing society for our children's children, we must take these trends into account, focus on where we want to play and refine how we win.

Stronger25

During 2021, a new, refined strategic framework has been developed in a process which has involved executive teams, the global leadership group and many internal stakeholders to ensure it connects with our purpose, our people and our clients' needs. Our new strategy for 2022-2025, Stronger25, builds upon our purpose, Enhancing Society Together, driving further delivery on it. And it creates a stronger focus building on our strongholds.

At the forefront of our Stronger25 strategy is our purpose Enhancing Society Together; it drives us and helps to distinguish ourselves in the market. It's also our daily compass:

'We care deeply about our people, our clients, and society at large. We take responsibility for having a positive impact on the world and we constantly challenge ourselves and others to develop sustainable solutions to local and global issues. We feel the urgency and are committed to accelerating the measurable benefits we deliver.
We act with integrity and transparency and hold ourselves to the highest standards of environmental and social governance. We are diverse and inclusive. We will not compromise the safety or well-being of our team or communities – no matter the circumstances.
We actively collaborate with clients, partners and stakeholders in projects and initiatives, together. Our actions, big and small, will drive the positive change the world needs, and will enhance society now and for the future.'

As part of our strategy, we aim to deliver measurable impact in our projects and our own operations. We will focus on five Enhancing Society Together themes where we can have the most influence and which will be refined further in 2022. The themes are climate change, biodiversity & natural systems, resources & circularity, social value & equality, and safety & well-being. These will guide us and relate to specific UN Sustainable Development Goals to protect the planet, end poverty and ensure that by 2030 people everywhere enjoy peace and prosperity. The five themes are relevant to everything we do – for our people and our clients, the way we operate as an organisation, and how we implement our projects. They will also be the fundament to report on our impact and progress.
Read more about the introduction and implementation of these five themes in the chapter Enhancing Society Together, Looking forward

We believe that we can excel and grow in nine global leading markets where we are already successful. Within the Netherlands, we can also strengthen our leading market position with focused growth on a number of themes.
Read more about this in the chapter Global Leading Markets and the Netherlands

We will shift our services mix to tailor it better to the complex challenges facing our clients, for instance with the combination of our digital consultancy services and our design and engineering services. We will also step up in software and technology in the water market whilst applying our domain knowledge.

We aim to become employer of choice; developing, retaining and attracting diverse talents needed to achieve our ambitions.

The Stronger25 focus will drive our investment calendar for the coming years and enable growth in turnover and to an EBITA of 8% in 2025.

Outline of our strategy 2022-2025.

Enhancing Society Together

Header image: Young Board meets Extended Executive Council. Among the topics discussed was the influence we can have on environmental and social factors through working with and for our clients.

In 2021, we continued to lower the carbon footprint of our own operations and supported our clients to become more sustainable and (further) reduce the carbon footprint of their operations and assets. In doing so, they see the value of our expertise and ability to lead in this area, which increases our influence across the value chain. Across our organisation we were also actively involved in initiatives that benefitted communities in which we work.

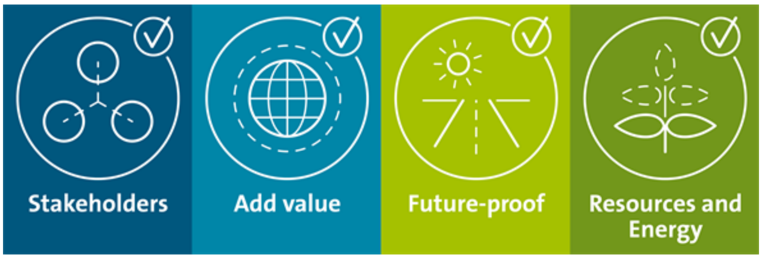
In the course of 2021, we strengthened our mission to Enhance Society Together. It was reinforced as our purpose in our refined strategy 2022-2025 and we made its meaning more tangible and targeted by identifying five core themes where we believe we can have the biggest impact in delivering benefits for society an the environment. These are:

- Climate change,
- Biodiversity & natural systems,
- Resources & circularity,
- Social value & equality,
- Safety & well-being.

How do we achieve our ambitions?

In 2021 we appointed a Leading Professional for Enhancing Society Together who has translated our sustainability strategy into clear priorities and is leading its implementation, encouraging and driving change within project teams and across our business. Our commitment is to continually push boundaries, recognising what is good and that there is always room to do better.

From early 2022 we are aligning our decision-making and reporting structures with the five themes identified above. However, through 2021 we still used the 4 Questions in our discussions and projects to motivate our clients to make sustainable choices and drive positive change. In addition, clear alignment with our purpose of Enhancing Society Together is integrated into the governance model of our company. It is included in the roles and responsibilities of our management and the Works Council, and forms part of management targets starting at Board level and working downwards. It is a shared ambition of the Board and a key responsibility of the CEO. It is integrated in our way of working via our global Management System and is delivered through our Quality, Health, Safety and Environment (QHSE) Management System, our Compliance Integrity Management System and our Information Security Management System. Some projects require more extensive consideration in respect of our responsibility and sustainability goals. When there is a potential challenge between a project and our core purpose and beliefs, we are guided by the principles and standards of the UN Global Compact, UN Guiding Principles on Business and Human Rights, the Organisation for Economic Cooperation (OECD), ISO 26000 (Guidance on Social Responsibility) and the International Labour Organisation (ILO).



Our 4 Questions to enhance society together:
1. Stakeholders: Does the output meet the requirements of most stakeholders involved?
2. Add value: Does the output serve added value for the client and society as a whole?
3. Future-proof: Is the result lasting, thus is it future-proof?
4. Resources and Energy: Can we meet the client's demand while minimising the use of natural resources and energy?

Looking back on 2021, we made an impact through our own operations, through our projects as well as through initiatives that benefitted communities. To ensure the right focus as an organisation, we define the important material topics for our stakeholders and relate them to the actions and decisions we take. In 2021, we continued discussions with relevant internal and external stakeholders. Based on these and additional client conversations in 2022, we will refine our materiality analysis.

Material topics

Our material topics and key results from 2021 appear in the table below. It is clear that Covid-19 has played a big part in greenhouse gas emission reductions as travel has been severely curtailed. While we do not anticipate such low levels to continue, the pandemic led us to challenge assumptions which will influence how and where we work in the future with hybrid home/office working.
The number of work-related accidents and incidents is likely to be lower because most employees continued to work from home for most parts of the year. Although not strictly a work-related incident, mental health and related absence have been a big concern.
Pandemic related constraints on supply chains resulted in delays in the delivery of EV vehicles making us miss our 2021 target of a 100% electric car fleet in the Netherlands. Due to this – and the 'kilometre underutilisation' in various car contracts due to Covid-19 – we extended several fossil-fuelled car contracts. We now expect to reach this milestone in 2022.

Key Performance Indicator	Key results 2021
Health and safety	
Employee engagement and well-being	Executive Board messages, global online events
	Employee resilience pulse checks
Integration and continuous improvement of our Integrated Management System	Continued our ISO 45001:2018 certification for our Occupational Health and Safety Management System
Zero fatalities	Zero fatalities
Lost Time Injury Frequency (LTIF) < 0.13	LTIF = 0.05
Health and safety behaviour	Nearly all employees followed an e-learning to boost Occupational Health & Safety awareness
Quality and sustainability in our products and services	
Integration of our Global Integrated Management System	Our digital engineering processes received BIM/ISO 19650 certification
	Existing certificates were audited and continued
Sustainability in our work	Online training sessions on sustainability during our global Learning Weeks
	Appointment Leading Professional Enhancing Society Together
	Renewal of our EcoVadis Sustainability Rating Gold
Use of our 4 Questions including explanation in 85% of our lite and full projects	4 Questions actively used in 85.7% of our lite and full projects (excl. basic projects)

Key Performance Indicator	Key results 2021
Integrity and ethical performance	
Zero tolerance for bribery and corruption	Close to 100% of our employees followed an e-learning about our commitment to zero tolerance for bribery and corruption
Integration of our Compliance Integrity Management System	130 issues and concerns were registered of which 11 were high-risk compliance issues. Mitigating measures were taken
	Existing certificates were audited and continued
Economic / financial performance	
Revenue growth and EBITA recurring	See Key Figures
Employability	
Developing digital capabilities across our organisation	Digital Academy in place with learning options to strengthen skills in digital ways of working
Embed culture of innovation	Online platform, the Innovation Hub, in place to share ideas, contribute to ideas, explore innovations currently in development, share best practices and connect with like-minded colleagues
Modern employment relationships and employment conditions	Regular pulse checks, good consultation with Dutch Works Council
	Work From Home Agreements in the Netherlands and the United Kingdom
Equal opportunities	Global online Speak Up Awareness Day
	Launch Future Leaders Journey
Emission reduction	
Carbon footprint (yearly reduction in % per employee compared to 2019):	We committed to our own operations being net zero for greenhouse gas emissions by 2030
office buildings -10%	Carbon footprint for offices reduced by 31.8%
business travel excl. flights -10%	Carbon footprint for business travel (excl. flying) reduced by 36.9%
business travel by air -10%	Carbon footprint for flying reduced by 78.6%
Security & privacy	
Continuous improvement of our Information Security Management System	Implemented an Information Security Management System
	Maintained full certification to ISO/IEC 27001
Protect information globally from evolving threats	We adopted zero trust security principles. We only work with suppliers that have a robust level of security in place. We follow the advice of the Dutch National Cyber Security Centre

Carbon reduction through our own operations

We are committed to occupy a leadership role in the transition to a net zero carbon economy and in 2021 have accelerated our climate reduction ambitions to achieve net zero by 2030 to be achieved by a year-on-year reduction of 10% compared to 2019. We will report annually through science-based targets, which ground our targets in climate science and provide further indication of the seriousness of our intent. In 2021, we also committed to the United Nations Business Ambition to limit global warming to 1.5°C to reduce destructive impacts of climate change on human society and nature.

In December 2020, we committed to our offices being Paris Proof by 2035, reducing the energy consumption of our offices around the globe by two thirds compared to the end of 2020 and only using energy from renewable sources. In 2021, we created a roadmap for all our Dutch offices with an overview of possible actions to make our offices Paris Proof. Based on this inventory we will drive towards positive outcomes aligning with the respective landlords. We will take the initiative to execute actions ourselves where relevant (e.g., LED lighting) and we will initiate sessions with other stakeholders (suppliers, other tenants) on how we can further reduce energy usage. Moreover, we developed a monitoring tool to measure our progress. For our international offices we've created a rollout plan to become Paris Proof in 2035 as well.

Our focus on sustainable mobility is a key route to lower carbon emissions. We are reducing the need for travel by providing a virtual working environment enabling employees to work and collaborate independently from any location. When travel is necessary, we encourage employees to do so in a more sustainable way to reduce emissions/km.
In the Netherlands at the end of 2021, 86% of our lease fleet was electric. We anticipate reaching 100% in 2022.

Objective	2021 result	Objective met?	Evaluation	2020 result
Offices: Yearly reduction of CO2 footprint by 10% compared to 2019	31.8%	yes	Reduction was achieved due to fewer people working in the offices because of the pandemic, and by on-going initiatives like clean energy, building improvements and office moves.	20.5%
Business travel excl. flying: Yearly reduction of CO2 footprint by 10% compared to 2019. We expect some reduction to be maintained as different ways of working and meeting have become more widely adopted in the last two years.	36.9%	yes	Reduction was mainly achieved by less travel due to the pandemic.	42%
Flying: Yearly reduction of CO2 footprint by 10% compared to 2019	78.6%	yes	Reduction was mainly achieved by less travel due to the pandemic. We expect some reductions to be maintained and will also introduce a revised air travel policy in 2022.	74.6%

Our calculated footprint covers CO_2 equivalent greenhouse gas emissions related to energy and paper consumption in our offices, and business travel. It is based on an international data collection structure and, in 2021, the data covered 92% of our employees (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 annually 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 (DEFRA based/Global Emission Factors retrieved from 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).

Over 2022 we are aligning our net zero reporting with the Science Based Targets initiative.

Adding value through our projects

As a service provider we are conscious that the influence we can have on environmental and social factors is far greater through working with and for our clients on their projects than it is looking at our own operations alone. Through integrating new ideas, innovations, technology and approaches to delivering sustainability into our projects we seek to influence and drive positive change beyond our own organisation and contribute meaningfully to overall positive impacts for society.

Examples of positive impact obtained through our projects

A second life for girders
We are exploring how to successfully introduce a system where prefab girders in existing viaducts that will be demolished, can be saved for reuse in new viaducts for Rijkswaterstaat, which is responsible for infrastructure facilities in the Netherlands. It involves prefabricated girders and other high-value components being recertified and reused rather than being ground into foundation material. Reuse of girders, for example, saves primary raw materials, reduces costs by 40% less and leads to a 60% reduction in carbon emissions.

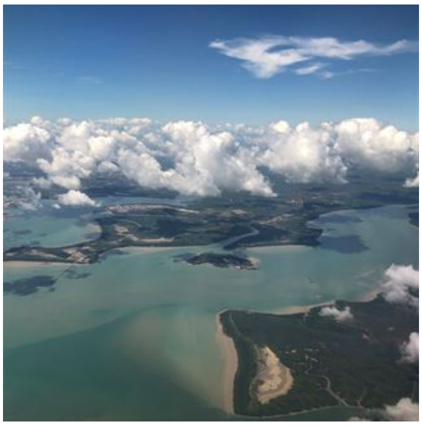
Supporting Europe's largest green hydrogen project NortH2
In Europe, the NortH2 project is involved with decarbonising industry by producing green hydrogen as a replacement energy source. The project comprises the entire green hydrogen value chain from source to end user. We are providing environmental consultancy, applying our knowledge and experience in similar complex projects to map the environmental and safety aspects of the project. We will deliver a legal framework for all components for construction and operation and a roadmap for obtaining permits and consents.

Energy-neutral building Tilburg University set for outstanding sustainability rating
Lifecycle thinking is an important factor in the design of new buildings. It incorporates adaptation for future uses or enables effective disassembly. A new building at Tilburg University in the Netherlands is making good steps towards circular resource use and energy-neutrality, bringing the university's sustainability ambitions to life. Built almost entirely from wood to avoid depleting finite resources, removable fasteners ensure all building parts are demountable to make future reuse possible.

Facilities management portal helps ASML achieve more than 25% energy reduction
Efficient use of resources is an essential step for organisations to reduce their environmental footprint. At one of the world's biggest suppliers to the semiconductor industry, ASML, a facilities management portal we developed has helped reduce energy use by more than 25% and saved water consumption.

GemaLink container terminal project: raising HSE and quality awareness among local staff and contractors

Engagement and our commitment to provide opportunities for local communities was also a factor in the Award of Merit for our GemaLink International Container Terminal project in Engineering News-Record magazine's Global Best Projects. The award identifies and honours project teams behind outstanding design and construction efforts. We carried out engineering, tendering and construction management services for the civil marine works at the container terminal in Vietnam. We received the award for the commitment to Health, Safety and the Environment and raising HSE and quality awareness among local staff and contractors.



Supporting the Northern Territory Government in Australia for the Middle Arm Sustainable Development Precinct

To meet global commitments on carbon emissions, countries need to develop low-carbon energy generation and, in the short term, seek ways to extract and store carbon dioxide. A proposed development in Darwin is set to support Australia's ambitions and become a globally competitive industrial precinct with a focus on low emission petrochemicals, renewable hydrogen, carbon capture storage and minerals processing. We are providing maritime, coastal and environmental services to the Northern Territory Government in Australia for the Middle Arm Sustainable Development Precinct which will support an ecology of new industry with sustainable principles at the core of its design, construction and operation.

Nature-based solutions to strengthen Madagascar's capital

Working with nature and integrating targeted interventions in urban planning and disaster management can save lives and protect infrastructure and people during flooding. In Madagascar for example, a study on urban resilience strategies integrates nature-based solutions and disaster evacuation planning to increase flood resilience and enhance living conditions in the capital, Antananarivo. Stakeholder engagement helped to validate the findings indicating that complex challenges should be addressed by simple solutions that are community-based, easy to implement or replicate.

Adding value to local communities

We play an active role in initiatives that benefitted the communities in which we work. Our BrITE Foundation is a charity established by our employees to make a real difference in the world. Through the foundation, employees contribute time, expertise and money to small-scale charity projects. As part of our 140th anniversary celebrations, the company donated €140,000 to BrITE to continue its good work. Organisations which benefited from BrITE support during 2021 included the Macheo Foundation in Kenya which was able to provide 240 desks to primary schools, and the Disabled Surfers Association in Australia to support its work to get people with disabilities back into the water. Through BrITE, 900 colleagues in more than 40 locations took part in World Cleanup Day collecting 860 sacks of litter.

More examples of doing good

Colleagues in the United Kingdom, the Netherlands, Portugal, Italy, the Philippines, Indonesia, Singapore, Malaysia and the United States joined the World Water run to raise awareness of the 2.2 billion people living without access to safe drinking water.

For the 10th year in a row, a team from the Netherlands joined the Roparun – a non-stop relay between Rotterdam and Paris – and raised €6,000 for cancer patients.

In the United Kingdom, we continued our support for the Maritime Roadshow organised by the 1851 Trust to inspire young women’s interest in careers connected with maritime and science, technology, engineering and maths (STEM) subjects. Four female colleagues were expert reviewers for the Tara and Dani Binns children's books which broaden horizons and promote the value of gender equality in the working world.

In the Netherlands, with many colleagues working from home, we opened a floor of our head office to around 100 students from a nearby college so they could complete their final exams undisturbed in a Covid-19 proof environment.

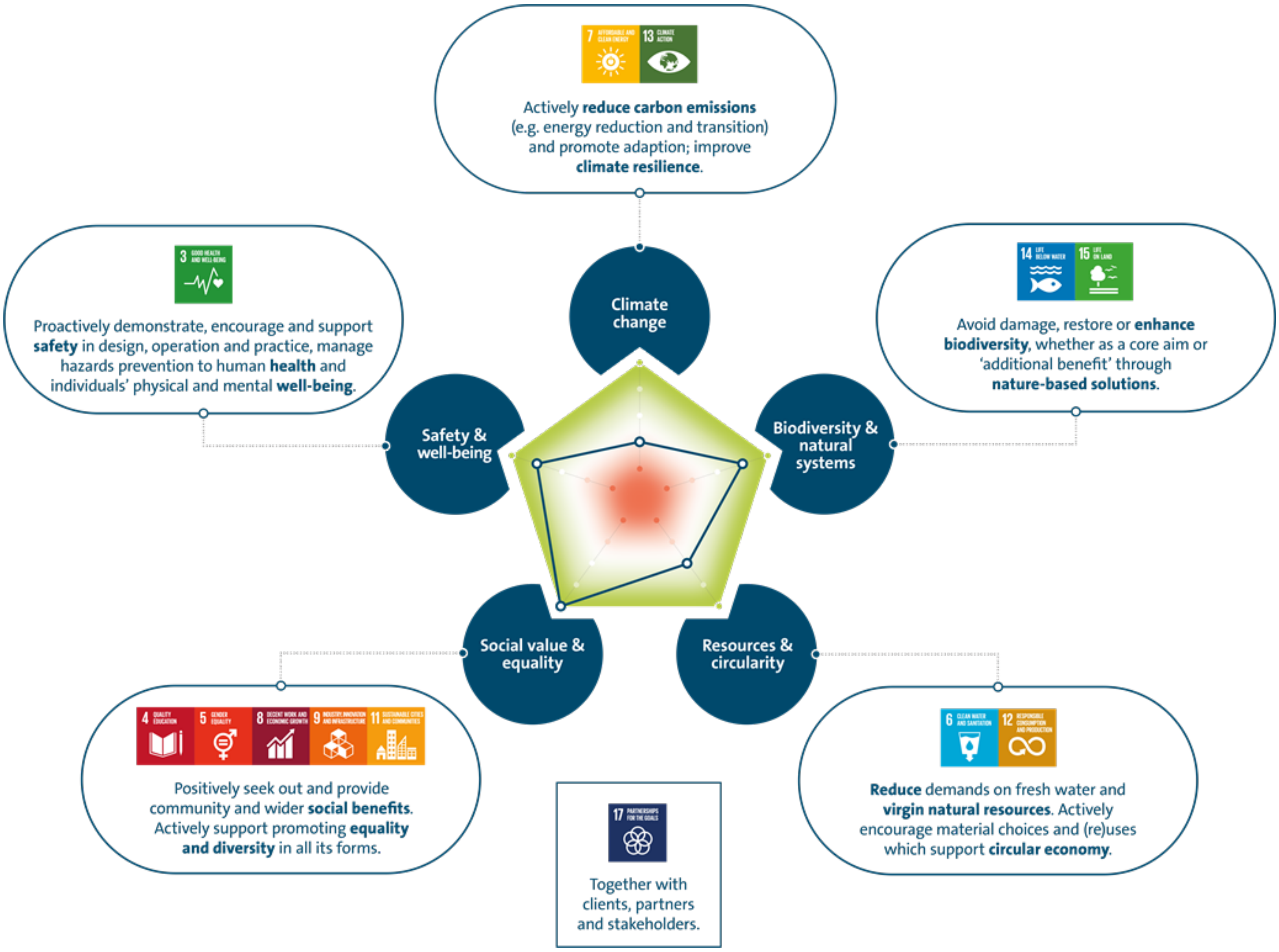
In the Netherlands, our young professionals organisation, Young RHDHV, joined forces with the Province of South Holland to organise Get WASTEd, a circular economy event which focused on creating positive societal impact together. During the event, four local start-ups active in circular food, fashion, and building materials gave presentations. Then we worked together on case studies to support their ideas and find pragmatic solutions to create real local impact.

Looking forward

The introduction of five themes into our mission requires changes in the way we score and show progress. In 2022, our 4 Questions will be replaced by a self-scoring system in respect of each theme to quantify the scale and nature of the positive change we are delivering through our projects.

Our future measurement system looks at each project in the broadest sense, ensuring we are clear on where the balance lies between positive and adverse impact. The system will also enable cross-sector collaboration to ensure all projects can benefit from developing best practice in each sector or field.

Enhancing Society Together will also become more relevant in the decisions we make about which projects to pursue. This is an evolution in our principles and will require greater transparency on how particular projects align with our mission. It will involve a transition, but over time we expect to move towards projects which have even more positive scores across more of the themes and which strongly align with and strengthen our portfolio.



In 2022 we will be quantifying the nature of positive change we are delivering through our projects on five themes. The blue outlined area on this spider web chart is for illustrative purposes only.

Corporate Sustainability Reporting Directive

In April 2021, the European Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD), which would amend the existing reporting requirements of the Non-Financial Reporting Directive. The Commission's proposal for the CSRD envisages the adoption of EU sustainability reporting standards. The planning of the Commission is to adopt the first set of reporting standards under the new legislation by the end of 2022. That would mean that our company should apply the standards for the first time covering the financial year 2023. We will closely monitor the development and requirement coming from these new reporting standards to ensure our sustainability reporting is aligned.

Our Performance in 2021

Header image: In 2021, we extended our interest in Singapore water information consulting scale-up H2i, allowing the strengthening of our data-driven climate resilience solutions.

We are pleased with our performance for 2021 although we still faced Covid-19 uncertainty and government measures worldwide.

In 2021, our strategy, Strong22, has again made considerable impact. It provided energy and purpose across the organisation, embedding new ways of working and a culture of innovation. Through streamlining and refocusing our activities, we have created a stable platform to accelerate growth. Strong22 has proved to be a good start for our digital maturity and service offerings. However, we learned that developing new business is more complex and we need more time to realise our growth ambitions.

We have achieved commercial success from collaborative initiatives across our business lines and have had a positive impact in enhancing societies worldwide. Our acquisitions at the end of 2020 – Novius and ITP – have proved to be successful and contributed significantly to our group in 2021.

Investments and reorganisations

In its first year of operation, our Business Line Digital delivered good results across consultancy and software activities. We have continued to pursue investments which fit our strategic objectives. As an example, in 2021 we increased our investment in Hydroinformatics Institute (H2i), a leading water information consultancy in Singapore, resulting in a majority stake. By bringing together our deep domain, data and software expertise and H2i's advanced technology in machine learning and big data, we are creating an ambitious union with the agility to rapidly address risks associated with climate change. H2i's rainfall detection and forecasting system has already proved vital for flood management and operations at Singapore's National Water Agency PUB. Our collaboration will lead to opportunities to apply the system in other cities, delivering substantial benefits to residents and businesses.

We continued to invest in innovation which included our Business Line Digital, further strengthening the foundations for future success in our digital portfolios. Our technologies, particularly for the wastewater industry, deliver added value for clients enabling them to reduce costs and environmental impact of their operations. At the end of 2021, our Aquasuite water technology that monitors, analyses, visualises and controls the performance of water and wastewater infrastructure is helping thousands industrial and municipal clients avoid water losses, improve customer service, reduce OPEX costs and turn waste into renewable energy sources.

In 2021, aligned with our new strategy Stronger25, we further streamlined our organisation by combining three business lines into two new ones: Water & Maritime and Mobility & Infrastructure. This will enable increased collaboration and optimal use of capabilities and resources to upgrade our offering to clients and grow our business.
Multiple initiatives were launched across our business lines which are yielding commercial success. For example, our VOLT application that is a cocreation by Mobility & Infrastructure and Digital has already helped 90 municipalities in the Netherlands with predictions on the number and location of charging points for electric vehicles. By working together, we integrated sustainable mobility expertise with the latest digital technologies to provide our clients with the best solution.

Covid-19

Just as in many organisations, Covid-19 has forced us to challenge assumptions and to work in a different way. Activity has picked up again in markets which slowed during the early stages of the pandemic and, in some cases, has accelerated to make up for lost time.
We saw good growth across most of our markets as people and organisations adapted to the reality of living alongside Covid-19. Uncertainty and changing regulations affected the aviation market amongst others during the year, although signs of growth began to emerge. Within our organisation, the pandemic continued to disrupt working practices due to working from home. We retained our strong commitment to support colleagues with practical assistance and maintain cohesion and engagement across the community.

One positive impact of Covid-19 was to significantly reduce our business travel, including air travel, which led to a lower carbon footprint and considerable cost savings.

We are striving to create a 'new normal' which embraces positive changes that happened as a result of Covid-19, particularly in respect of work-life balance, a focus on well-being, and our reduced carbon footprint connected to travel.

Net Zero

During the year private and public sector activity on greenhouse gas reduction gained strength and momentum. We are taking leadership ourselves and announced in 2021 that our operations will be net zero for greenhouse gas emissions by 2030. We saw increasing questions and projects connecting to net zero from clients. We have been advising building owners – including banks, hospitals, governments and industries – how to move to renewable energy and reduce their energy use. We continue to be very active in the renewable energy sector. To date, we have led the successful consent of 12GW of offshore wind energy in the United Kingdom alone and supported more than 22GW of projects worldwide. We are advising more than 15 of the 30 energy regions in the Netherlands on their plans to produce renewable energy and how to move away from natural gas. We are also supporting innovation across industries and sectors as they search for more sustainable solutions. For example, we are working with Redefine Meat on their first sustainable 3D-printed meat factory in the Netherlands. From feasibility, design and engineering to construction management, we have taken ownership to enable plant-based meat production which reduces CO_2 emissions by 95% compared to beef.

Digitising physical environments

Every year, boundaries between the physical and the digital world become more blurred. Automation, data and digital technology are becoming increasingly important in how we work in our projects and how we create value for our clients. Digital twins have been a strategic focus for us for several years now. With the increased interest of markets and clients on digital topics, this yielded results in 2021, both in projects, growing our software portfolio and in our ability to shape the agenda on national and international levels. We are also actively participating in various initiatives in the Netherlands to realise digital twin systems on a national level and internationally in working groups like the SWAN community for water. We have been supporting clients in developing digital twin roadmaps and delivering digital twin software platforms, for example in the control room of Dutch water authority WBL.

Innovating our core processes and beyond

We continue to manage our innovation portfolio through our online innovation hub where every employee can share and contribute to ideas and developments. We are innovating in our core processes to make them better, faster and more sustainable. For example, we further developed an interoperability platform that aims to centralize project data and streamline our workflows. Another focus of our innovation activities is in developing solutions with clients which, for example, in 2021 led to VOLT (described above, under Investments and Reorganisations).
We are also building our portfolio through innovations. Our new Runway Condition Reporting Tool enables airports to easily meet legislative requirements that were introduced in 2021. Alongside automation in design processes, we are exploring the use of automation in construction through our partnership with DSM (now Covestro) to develop the world's first lightweight 3D printed fibre reinforced polymer bridge. Our first bridge was delayed by supply issues in 2021, but we are expecting it to be fitted in a park in Rotterdam in 2022. By introducing 3D printing with circular composites into infrastructure and environment, we can change the way structures are designed and made, creating new value for our clients.

Financial performance

We are very satisfied with our financial performance for 2021. The operating margin increased to 5.0% (2020: 4.8%) while investing significantly in software and digital technologies. The financial results of 2021 show an organic revenue growth of 1.9% (2020: -5.9%). In the end, a net result of €15.2 million (2020: €13.0 million) was reported. The order portfolio of €334 million is at a higher level than last year (2020: €303 million).

Operating income increased to €619 million, with almost all Business Lines showing growth. Most of the growth is attributable to the Business Line Industry & Buildings and the substantial contributions of our acquisitions at the end of 2020 – Novius in the Netherlands and ITP in the United Kingdom.

Our operational result (EBITA recurring) ended at €30.9 million (2020: €28.3 million). The results in 2021 were strongly driven by the Business Lines Industry & Buildings and Mobility & Infrastructure and our leading market position in the Netherlands. Furthermore, the performance of our Southern Africa Business Line significantly improved in comparison to 2020. Uncertainty, changing regulations and market conditions affected the performance of our Water Technology and Aviation business during the year, although signs of growth began to emerge.

In 2021, we recorded a 59% growth in operating income from software, although conversion of sales in technology proved slower. Our engineering, design and consultancy business showed a growth of 6% on operating income and an improved margin.

Due to ongoing government restrictions related to Covid-19, cost savings on travel and accommodation and employee expenses contributed substantially to the 2021 result. Despite the continued Covid-19 uncertainty, we were able to follow our strategic Strong22 programme and related investments. These involved mainly the costs of our transformation programmes as well as investments in our software and digital technologies.

Organic added value growth was 4.7% (2020: -3.8%). Although Sales were very good, the utilisation rate remained at almost the same level compared to last year.

The results yielded a positive free cash flow in 2021 of €9.8 million (2020: €38.3 million) (cash flow from operating and investing activities). The year-on-year difference can largely be explained by the changes in trade working capital, following the change in business volume in these years. The continued Covid-19 pandemic hardly impacted trade working capital (work in progress, trade debtors and trade payables) in 2021, which showed a normal seasonal pattern throughout the year and was below last year's level for almost the entire year.

We were able to decrease our days sales outstanding (DSO) to an all-time low of 64 days at the end of 2021 (2020: 70 days). Our financial position remains healthy, with an equity ratio of 52% (2020: 48%) and a net cash position of € 174 million at the end of the year. We operate well within our bank covenants.

Besides the effect of the continued Covid-19 uncertainty as described above on our financial performance, there are no special events that should be taken into account for the financial statements.
We refer to the Outlook chapter and note 25 for the expected impact of the Russian - Ukrainian conflict on our financial performance.

Our People

At Royal HaskoningDHV we aspire to be the best. This is accompanied by the desire to be an employer of choice for diverse talents, and to support our people in unlocking their full potential. In this way, we can make a difference and enhance society, now and in the future. We value talent in all its diversity because we believe diversity of thought leads to better results. We care deeply about our people who are the leading attribute in our success.

Unlocking our full potential

Our strategy provides a clear view of what we want to achieve. Our people are the enablers of the strategy and each individual can make a difference, bringing together diverse perspectives. In 2021, we launched the company-wide People & Culture Programme Unlocking our full Potential, to guide, support and encourage our leaders, our teams, and every employee to help our company become even stronger and more successful. It involves a continuous journey for all of us to create a growth mindset, build our change resilience, and transform our company. As we do so, our working environment will become more attractive, and we will increase our clients' satisfaction, our market position and our financial performance.
In 2021, 70% of all managers participated in a bootcamp to understand the programme and how they can lead by example. More than 25% of all employees participated in team workshops to understand their upward potential resulting in even better collaboration.

Future Leaders

To realise the leadership potential of our emerging talents, in 2021 we launched our Future Leaders Journey. It involves the development of future line managers, project managers, leading professionals, commercial directors and more. The programme is for professionals with approximately 3-8 years of working experience and the ability, engagement, and aspiration to grow into future leading roles. This will ensure our leadership pipeline is equipped for future strategic perspectives, and that we retain and motivate future leaders through targeted development opportunities. The programme involves sessions around leadership development, business and people skills, personal development, and our company's strategy.
In 2021, 48 talents started in the Future Leaders programme, which features in the best practices of the G20 Empower Women to Lead. The group of Future Leaders is diverse: 42% are female and 12 nationalities are represented in five countries.

Equality, Diversity and Inclusion

At Royal HaskoningDHV, we believe in our people and aim to unlock their potential as individuals and as teams. Diversity is not a goal, but rather, a way to reach our goals. Having diversity of thought and bringing different perspectives to the table is important in creating an accomplished, successful, and sustainable business.

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.

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

Overall, we have improved awareness and encouraged open conversations around various equality, diversity and inclusion topics by putting ED&I as a standing agenda item in all company-wide, management team and team meetings. Our directors and managers regularly address important issues in their communication with the business throughout the year 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 towards all employees. The Speak Up Awareness Day we held in November 2021 supported our drive for a collaborative, equal environment where everyone feels comfortable bringing their true selves to work. We also partnered with Refugee Talent Hub in the Netherlands aiming to meet potential employees and grow our diversity. Initial speed dates with 18 refugees have so far resulted in 3 hires.

In 2021 we had two finalists in the European Women in Construction & Engineering Awards. Stefanie Stubbé, consultant water and finance international, won the Cobouw Young Talent Award. Our Human Resources Management Director Meike Salvadó was listed in the Next Leadership 50 by Dutch business magazine MT/Sprout. Furthermore, our branch in Vietnam was recognised as one of the Best Companies to Work for in Asia at HR Asia's prestigious annual awards.

We are proud to have started our journey to reduce inequalities, overcome bias and unlock the power of diversity in our traditional industry and society. Working on lasting change, we took the following steps in 2021:

1. We became partners with the Diverse Sustainability Initiative (DSI) to help transform and promote diversity within our industry. We renewed our membership and commitment to Women in Engineering and Science’s (WISE) purpose: growing the number of women and young girls in science, technology, engineering and mathematics (STEM).
2. We appointed female leaders in director positions because of their qualities and as a result have strong female role models in positions where they can effect change and inspire colleagues.
3. We delivered unconscious bias training to teams and especially to managers and recruiters to create awareness of everyone’s unconscious bias.
4. We launched employee networks for disability, LGBTQ+ and diverse ethnic backgrounds to guide best practice and understanding of every individual’s lived experience.
5. We committed to have equal representation in longlists of recruitment, succession and development programmes. We aspire to having diverse selection teams and interview panels.
6. We ran internal and external campaigns, often around special days like International Women’s Day, to share what we are doing and to inspire others.
7. We signed the G20 Empower Women pledge to accelerate women’s advancement to leadership positions.
8. In the United Kingdom we launched our first mentorship programme for female employees, striving to develop women to access more senior positions and thus close the gender pay gap.
9. In Vietnam we launched a coaching programme focusing on softer skills, tailormade to our Vietnamese senior female colleagues. This follows the commitment by our managing director in Vietnam to support the Women’s Empowerment Principles in 2020. The seven principles, developed by the UN Global Compact and UN Women, promote gender equality and women’s empowerment in businesses and communities.

In 2022, we aim to launch further programmes in other countries where needed. We continue to encourage more women into engineering through initiatives such as recruitment campaigns and career encouragement.

Engagement and enthusiasm

Monitoring the well-being of our people and actively addressing the results is essential for protecting and futureproofing our business continuity and practising our promise that we care. Regular pulse checks tracked the well-being and resilience of our people and identified where we needed to provide additional support.

In 2021 we could see that the pandemic and consequential working from home impacted the engagement of our employees. We could see that colleagues struggled with balancing work and private life, taking regular breaks from work, and getting enough physical exercise. Above all, they missed the social and spontaneous aspect of connecting with colleagues in the office.
To mitigate this, we organised collective engagement initiatives like the global online New Year’s event, the Mid Year event and the 140-year celebrations event. We continued Serendipity calls, initiated by colleagues to meet new colleagues, making global connections and sharing professional experience in the Covid-19 environment. In 2021 more than 3,000 connections were made where colleagues joined randomly grouped fortnightly coffee breaks with two or three others. Similar activities included online coffee and tea breaks, joint lunch breaks and fun challenges.

Workforce

New joiners in 2021 took our workforce to 5,887, indicating a recovery from the global pandemic.

In our company, 43.8% has a nationality that is not Dutch. In total, we have 82 different nationalities in our global organisation. Our female employees make up 26% of our total workforce. The number of female employees has remained consistent over the past years. The number of female employees in line management positions has increased over the year from 19% to 21% in 2021. Our ambition is to have 35% female employees in 2025.

With the combination of three business lines into two new ones being Mobility & Infrastructure and Water & Maritime, there have been some shifts in our line management. On average, the span of control in the business is around 16 employees per manager.

Our HR Talent Acquisition team plays an important role in attracting the right talents. In 2021 the team was a finalist in the LinkedIn Talent Awards.

Integrity

Header image: In November 2021, we organised our Speak Up Awareness Day when we highlighted the importance of all employees bringing their true self to work and experiencing a safe working environment to voice their opinion and speak up.

Royal HaskoningDHV is a global company which operates in a variety of cultural, social, and business contexts. We act ethically and with transparency in our business dealings, respecting the customs and laws of our working environments. Our 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 which, together with our Compliance Integrity Management System and Compliance Programme, defines and assures our code of conduct.

To support our values, we have been a partner of the UN Global Compact (UNGC) for more than a decade, supporting the 10 UNGC principles on human rights, labour, environment and anti-corruption which are integrated in our Global Code of Business Principles. To increase the knowledge about human rights, we have created a guidance document to inform our employees what human rights are, what kind of human rights exist, how international enterprises can be involved in human rights and what is expected of Royal HaskoningDHV specifically to protect human rights of all people involved in a project. It is clearly stated that we will not cause nor contribute to any human right abuse. If Royal HaskoningDHV could be linked to human right abuse, we will use our leverage to mitigate the human right abuse impact. We actively show our commitment to the principles of the UN Global Compact in our tenders, offers and selection process of project and share our principles on integrity and compliance with suppliers and sub-contractors through e-learning.

Integrity is of utmost importance for us. 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 to 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 approach to bribery and corruption and aim to meet and surpass international best practice standards in anti-corruption compliance and business ethics.
During the 2021 compliance audit, the auditor concluded that awareness within our company of the Compliance Integrity Management System is a strength. The auditor stated that it is generally felt and expressed that ethical behaviour is in the DNA of our company.

One element to ensure ethical behaviour remains part of our DNA is that each year we focus on a compliance topic via a mandatory e-learning. In 2021, nearly all employees completed an e-learning about our commitment to our zero tolerance for bribery and corruption.

To further improve control over our value chain, in 2021 we worked hard to extend our third-party assessment tool to include subcontractors. This follows the implementation of this tool of an internationally reputed information provider a year earlier. Since then, the tool has been used for all new clients. It includes, among other things, a review of the ultimate beneficial owners, directors and politically exposed persons. We will implement this plan for subcontractors in 2022.

Incidents

In 2021, approximately 130 issues and concerns were registered, compared to approximately 100 in 2020. 11 cases were considered high-risk compliance issues. After investigation, four of the 11 cases resulted in a breach of our Global Code of Business Principles. As mitigating measures, we terminated two employment contracts and gave two written warnings. Characteristics of the reported issues and concerns included unwelcome workplace behaviour, financial inaccuracies, discussions about working in controversial countries and the human rights situation in a certain country, and involvement in publicly disputed projects (for example placement of windmills, working on military projects). All issues were investigated, discussed and, when appropriate, mitigating measures were taken.

To create extra awareness about unacceptable behaviour in the workplace – such as sexual harassment, bullying or discrimination – we organised a Speak Up Awareness Day for all employees in 2021. It also highlighted procedures to speak up and ask for help if confronted with such behaviour. Multiple sessions were hosted to inspire colleagues to cultivate a safe working environment through building trust in teams, dealing with unconscious bias, and how to start conversations about behaviour in the workplace.

There were no allegations against the company or its management for bribery and corruption which resulted in wrongdoing of the company.

Health & Safety

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 we continued our certification in 2021.

We met our objectives for 2021 of having zero fatalities and a lost time injury frequency of less than 0.13. During the year, 82 accident and incident reports were submitted (2020: 62). The increase in reported accidents and incidents could be attributed to increased awareness to report accidents and incidents. From these reports, 40 related to accidents and incidents involving employees (2020: 44) where 22 of these occurred at an office location, 16 at out-of-office locations and 2 were traffic related. In total 2 accidents resulting in at least one day off work were recorded in 2021 (2020: 1).

- Lost time injury frequency (LTIF) per 200,000 workable hours in 2021 was 0.05 (2020: 0.03). This is an increase in LTIF compared to 2020, but still well below the 0.13 target. The fact that most employees continued to work from home for most of the year is likely to have had a positive effect on the number of work-related accidents and incidents.
- Total recordable case frequency (TRCF) per 200,000 workable hours over 2021 was 1.05. This is a slight increase compared to 2020 (0.97) which might be an effect of increased awareness to report work related accidents and incidents.

Another objective for 2021 was to introduce all employees to the companywide desired Health & Safety behaviour. To do so, all employees were offered an e-learning module on strengthening our Occupational Health & Safety awareness. In addition, introduction and awareness sessions were held throughout the year.

In the Netherlands, we continued our level 2 certification on the Safety Culture Ladder, demonstrating that consciously safe working, designing, and advising are embedded in our culture and employee behaviour. With this certificate, we are ready for Safety in Procurement (Veiligheid in Aanbesteding (ViA)) which will be a requirement from 2022 in tenders from Rijkswaterstaat and other major clients that have signed the Safety in Construction Governance Code in the Netherlands. Also in the Netherlands, our teams who are active in the rail sector continued their level 4 certificate of the Safety Culture Ladder and those active in the energy sector continued their level 3 certificate. Our industry team obtained the level 3 certificate.

Risk Management

Header image: We continued monitoring the impact of Covid-19 on our employees, clients and business. Subjects that received specific attention were: scenario planning, the continuity of our business with lock downs and limited access to our offices and clients, information security, and the health and safety of our employees.

Risk management deals with future uncertainty about deviating from expected income or outcome. Risks are of different types and originate from different situations. At Royal HaskoningDHV we identify so-called corporate risks and operational risks. Each identified risk is linked to one or more of the company's strategic objectives.

Our mission to Enhance Society Together is leading in what we do and is also the cornerstone for our risk management approach because we want to achieve a net positive impact through our projects for clients. For example, the construction of a new road will positively impact mobility and economic growth but will also emit greenhouse gases both in construction and use. In 2021, our 4 Questions helped us deliver on our purpose of Enhancing Society Together by guiding our conversations with clients and partners on these considerations and helping to identify where we can add value for society while minimising potential negative impact. This approach is embedded in our way of working in the Group Management System.

Every project is a unique opportunity to contribute. Aligning ourselves with our core promise *Enhancing Society Together* proves to be effective with these four simple questions that we ask ourselves each time.

Every project is a unique opportunity to contribute. Aligning ourselves with our core promise *Enhancing Society Together* proves to be effective with these four simple questions that we ask ourselves each time.

Does the output meet the requirements of most stakeholders involved?

Requirements of stakeholders

What is really at stake for our stakeholders? Mutual engagement, and in depth understanding of the needs of all parties involved are key for positive results

Is the result lasting, is it future proof?

Future-proof

Creating adaptive, time proof solutions means to collaborate with the change factor. By foreseeing changes, influencing changes and participating in changes our solutions connect lives our lifetimes.

Does the output serve additional added value for the client and society as a whole?

Added value to client and society

The solutions in mind are not always the answers to the problems involved. Adding value and new opportunities in social, economic and ecological contexts starts with evaluating each problem behind every request.

Can we meet the client's demand while using a minimim of natural resources and energy?

Resources and Energy

Prioritising resource efficiency. In creating solutions that aim to close the gaps of waste, while positively influencing the life cycle impact.

Corporate risks

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

- Organisation, strategy and culture,
- Markets, clients and competition,
- Finance, Control and Technology,
- Fraud, bribery and corruption,
- Our employees,
- Business Development and Innovation,
- Project Management.

In 2021, we continued monitoring the impact of Covid-19 on our employees, clients and business. Subjects receiving specific attention were scenario planning (the impact on revenues, sales and costs), the continuity of our business with lock downs and limited access to our offices and clients, information security, and the health and safety of our employees. Regular pulse-checks were held with employees to assess their well-being.

For any major crisis we continued to uphold our crisis management policies in place, including a well-trained and experienced Corporate Crisis Management Team and a fully staffed back-up team for alternating shifts. 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.

To ensure that we enhance society together and avoid integrity risk, 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.

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 what the related risks are and what the consequences for our policies are.

In the past year we extended our insight into parties within our value chain. Based on a risk assessment, the selected clients and partners now undergo a centralised and extensive Third-Party Assessment executed by our Finance and Compliance departments. These procedures are fully embedded in our processes. We are currently embedding the Third-Party Assessment of sub-consultants and suppliers in these processes as well.

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 digitalisation.

The most important corporate risks (with higher probability and/or impact) identified are:

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 is not able to meet the beliefs where it stands for. This will impact our reputation and lead to an unhappy society in general and specifically unhappy employees, clients and sub-contractors/sub-consultants with whom we work closely.	For each project, the 4 Questions should be addressed (see infographic above). *Note: Our refined company strategy Stronger25 introduces five themes to define our focus in meeting our purpose Enhancing Society Together. In the future our systems will be amended to enable projects to be 'scored' against these themes, and to be able to better quantify the positive impacts we deliver through our projects. Whilst this will replace the '4 Questions' approach, in the interim the current 4 Questions do still apply.*
Markets, clients and competition	*Risk rating: High (high probability, high impact)*
Losing revenues as a result of economic downturn in markets or segments. This could happen if our clients (both government and private) decide to cancel or postpone projects and investments which directly impact our order portfolio.	Overall, market risk is a fact of doing business. We are aware of the risk, and constantly monitor our position in markets and segments, ensure outstanding relations with clients and other stakeholders, and monitor utilisation of resources. • Geographical global spread of business. • Active in many different business segments. • Ability to align the organisation quickly when revenues decrease. • Strong client relationship management in place. • Ability to financially absorb temporary drops in revenues.

Key Corporate Risks	Key controls
Finance, control and 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, but 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, like: • Patch management (up-to-date operating systems and patches). • Anti-virus/firewall protection. • Access management (including multi-factor authentication). • Monitoring (e.g., domain controllers, Symantec, firewall, email filtering). • Partner selection procedures. • Cyber insurance protection. • Awareness among employees. • Business continuity procedures in place and tested. • Certification against ISO 27001 on information security.
Fraud, bribery and corruption	*Risk rating: High (medium probability, high impact)*
Being involved in corruption, bribery, or other dishonest behaviour is against our company values. If one of our employees would be involved this will have a negative impact on the brand, our clients, suppliers and sub-consultants/sub-contractors with whom we work together. In addition, this could lead to sanctions by governments and (international) financing institutions.	Integrity Management System in place that is certified annually against ISO 37001 (anti-corruption) and ISO 37301 (Integrity Management Systems). The ISO audit 2021 was concluded and no non-conformities were revealed. • Clear policy and monitoring of agents. • Support the 10 principles of the UN Global Compact. • Third-Party Assessment in value chain.
Our employees	*Risk rating: High (medium probability, high impact)*
As a company we might be unable to hire sufficient qualified people in the market. This is especially driven by an increased demand worldwide for technically and digitally skilled people.	• Build on strong reputation as an employer of choice. • Ensure we are close to universities. • Offer competitive and modern labour conditions.
Business development and innovation	*Risk rating: High (low probability, high impact)*
Not being successful in innovation and being outmanoeuvred by competitors are the keys risks which we considered here. Not being successful in innovation will not be helpful for our clients getting more efficient and effective solutions. At the end they may decide to reconsider their relationship with our company.	• Strategy Stronger25 in place with clear focus on growth of the segments and software and technology. Implementation plans are being monitored. • Professionalisation of the Business Line Digital in process, people, systems, and risk management. • Focus on most viable software offerings (make choices on what to scale). • Continue acquisitions in promising technologies. • Implement the Transformation Programme about Digital Ways of Working in the company. • Innovation Hub online platform to share ideas, contribute to ideas, explore innovations currently in development, share best practices and connect with like-minded colleagues.
Project management	*Risk rating: High (low probability, high impact)*
Not being able to deliver world class products to clients is one of the key risks. This could be caused by lack of knowledge, lack of skills and lack of innovation in new products.	• Continuous training of project managers and experts. • Invest in (new) technologies and software. • Transformation Programme Project Excellence being implemented. • Launched the Unlocking our Full Potential Programme for all our employees. • Appointment of global leading professionals. • Ability to work in multi-disciplinary teams.

Operational risks

To reduce the cost of failure, which in our industry is largely related to flaws in project management, we spent much time and effort implementing two robust project management tools and training. One of these tools supports the proposal manager in the risk assessment and processing of tenders. The other is the Project Health Check which supports the project managers and directors in their monthly project reviews. This has already reduced project losses. We see further opportunities in strengthening project management and our commercial way of working.

Projects

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 were defined and can be found in the tables below.

Project Risk Management - Get Work

After a Request for Proposal, the responsibility for the proposal is assigned to a proposal manager. They are responsible for ensuring the proposal offers the best technical solution to the client, that the 4 Questions are taken into consideration and that the risks and mitigating measures are considered and priced in the offer. The 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 and/or the project will not add value to Enhancing Society Together.	Risk & Approval Matrix. Country policy. The 4 Questions to be answered. Deviations being 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 be applicable that have to be accounted for.	For projects abroad, review by the Risk Manager and Tax Director. A Country policy is applicable with country specific requirements that may apply.
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 (which is 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 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.	Assessment based on 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.

For each proposal the proposal manager performs a risk assessment, and the outcome is documented in a Risk Mitigation Plan. The risk assessment includes monetary determination of the risk/contingency which should be included in the pricing of the offer.

Project Risk Management - Do Work

After the contract is won, the project manager has to set up the team, prepare a detailed project plan and deliver according to the scope and conditions of the contract.

Key risks	Key controls
Appoint an inadequately equipped project manager for the project.	Expertise and experience of the project manager is known (application for sharing CVs). 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 any issues and/or does not seek for 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. Based on this classification the depth and level of review are determined. Monthly, lite and full projects are manually risk assessed by the project manager on stakeholders, costs, time, scope, resources, QHSE, communication, procurement and other risks. Depending on the level of risk being 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 the actions to be taken with the director of the advisory group. As per 30 November 2021, 160 projects were included in the full health check cycle and 479 were in the lite health check cycle.

During the execution of the project, 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.

Project Risk Management - Get Paid

Depending on contract conditions, an invoice can be raised to the client. Raising of invoices will be done in line with the contractually agreed payment conditions.

Key risks	Key controls
The project manager is not aware that invoices are submitted.	Hours and expenses are recorded on 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 is monitoring 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. Support from Credit Control on the most effective collection strategy. Any provisions for bad debts are recorded on the project and have negative impact on the project result.

After receipt of the final payment and end of contractual agreements, the project can be closed.

Other 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 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 defined benefit scheme deficit under Dutch GAAP (Generally Accepted Accounting Principles) on December 31, 2021, is €17.4 million (2020: €21.7 million) with an associated deferred tax asset of €4.3 million (2020: €4.1 million).

Cyber Security

At Royal HaskoningDHV, we handle information entrusted by clients and other third parties, project information, and company information like intellectual property, employee details and financial information. To protect this information, we implemented an Information Security Management System (ISMS) in 2021, maintained our full certification to ISO/IEC 27001, and only work with vendors and suppliers that have a robust level of security in place. In the United Kingdom, we obtained the National Cyber Security Centre's Cyber Essentials certification, as well as the Cyber Essentials Plus certification. This is the highest level of certification offered under this scheme and is required when bidding for contracts where handling certain sensitive and personal information is involved.

To respond to the new reality of hybrid work, we are constantly adapting concepts to secure the complex modern enterprise IT network in which devices and data are protected, regardless of location or the type of device. That is why we have chosen to adopt the zero trust security principles to securing our network and in the digital services we provide to clients. We also help our employees adapt to new ways of working, which is key to successful digital transformation. In 2021 we saw an increasing demand from our clients to fulfil information security requirements. We continued to find a way of working where all parties felt secure and in control.

Following the December discovery of the cyber security vulnerability called Log4j, we worked with our external partners to investigate if our systems – and those we provide to our clients – may have been affected. No issues were found. In accordance with advice from the National Cyber Security Centre in the Netherlands, we apply updates to third party software to address the Log4j vulnerability, or implement temporary work-arounds to mitigate potential risks. Questions received were all answered to clients' satisfaction.

Cyber security is more relevant than ever, so we offer multidisciplinary expertise and experience in design and advice on management and maintenance of Operational Technology (OT) systems, as well as cyber security scans and asset management. To deliver cyber resilient products, our processes for cyber security design and risk assessments follow the internationally recognised IEC62443 series for OT systems, ISO 27001, and the NIST Cyber Security Framework.

Quality Management

Header image: Celebrating our BIM/ISO 19650 certificate for our digital engineering processes.

As a global organisation, we ensure we deliver products and services to our clients according to standard working practices wherever we are working in the world. This is achieved with our Integrated Management System which is certified against globally accepted international standards (ISO 9001, ISO 14001 and ISO 45001) and also covers integrity, business continuity, knowledge management, information security, data privacy and our business principles.

To ensure our work continues to comply with global standards, quality, health & safety, and environment (QHSE) audits were undertaken in 2021. Supported by our global network of internal auditors, our Corporate QHSE department conducted internal audits in all our Business Lines and offices. External audits were conducted by DNV in India, Indonesia, Mozambique, the Netherlands, Thailand, South Africa, and the United Kingdom. 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 continued.

In 2021, we became the first global engineering consultancy to have our digital engineering processes certified against the requirements of the Building Information Modelling (BIM) capability and ISO 19650. 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 is applicable to our operations in six countries, providing clients with better solutions, faster delivery times, improved risk management and better sustainability.

Our certificates

Standard	Name
ISO 9001:2015	Quality Management System
ISO 14001:2015	Environmental Management System
ISO 19650:2018	Information Management using Building Information Modelling
ISO 27001:2013	Information Security Management
ISO 37001:2016	Anti-Bribery Management System
ISO 37301:2021	Compliance Management System
ISO 45001:2018	Occupational Health and Safety Management System
EcoVadis Sustainability Rating Gold	Corporate Social Responsibility performance

All certificates can be viewed and downloaded from our website.

Outlook

Header image: We see growth in climate resilience, as governments and companies react to protect people, the built environment and their operations against extreme weather events. For example, for Madagascar's capital city we contributed to a study on urban resilience adaptation strategies.

The work of engineers touches every aspect of daily life – from transport systems to water technology, manufacturing processes to data connectivity, energy production to food networks, and more. Royal HaskoningDHV is involved in all these areas and, because of our important role in society, we set ourselves the highest ambitions. We seek to enhance society and protect the future for generations to come.

In 2021, sustainable and climate-neutral practices rose up the agenda of many organisations. This was partly influenced by media reports from COP 26, but also through coverage of the IPCC 2021 report and its stark conclusions on the urgent need to reduce climate change and mitigate its impact. The business case for sustainability is compelling and key to an organisation's long-term future. Pressure for change is being driven by investors, the need to safeguard continuity, demands from consumers and regulators, and because organisations appreciate that it is the right thing to do. We are in a position to lead the way for our clients, in the process strengthening relationships and delivering on our ambition. We continue to innovate, look into the future and challenge ourselves and our clients to implement solutions which help their operations become more predictable and resilient but also more sustainable.

Supporting clients in their decarbonisation agenda

With climate change and business continuity on every business agenda, we are seeing demands connected to the drive to net zero, the energy transition, climate resilience and carbon taxes. Our activity in innovations connected to decarbonisation – including green hydrogen and carbon capture – puts us in a good position to help realise practical new solutions in these areas. We have a well-established position in renewables in northern Europe which creates a platform for investments across the globe.

Strong prospects across our leading markets

We are also in a good position to help clients meet the advancing digitisation in all sectors in which we are active. The urgency on sustainability and continued drive for efficiency mean that software and technology, which are increasingly part of our activities, are expected to grow across all areas. Our software business in particular is set to continuous growth. Also, our digital consultancy, with which we help our clients further digitise and reap the benefits thereof, is of high added value to our clients. Another area where we see significant growth is in climate resilience, as governments and companies react to protect people, the built environment and operations against the devastating impact of more frequent and more extreme and ferocious weather events.

The pressure to review and adapt supply chains to build resilience and respond more quickly to consumer demands is resulting in increased investment by light industry, particularly in brownfield developments. Similarly, demand for data centres continues to expand. The focus provided by Stronger25 enables us to capitalise on developments such as these. We anticipate further growth and increased margins across all nine leading global markets and in our core country of the Netherlands, where government investment in mobility and infrastructure remains particularly strong.

Employer of choice

The ability to attract and retain diverse talented colleagues remains critical to our ability to grow. Our focus on complex challenges enables us to offer exciting opportunities to colleagues. By further embedding Enhancing Society Together into our projects and daily work, we reinforce our ambition to be employer of choice for employees who are motivated by our mission. We continue to emphasise the well-being of colleagues, finding the right balance in hybrid working, responding to Covid-19 measures, and enabling colleagues to stay connected to each other and to the company. During 2022, we will invest further in programmes to develop our people and attract new talent.

Russia and Ukraine

We are closely monitoring the Russian - Ukrainian conflict. Until further notice we have suspended all work on Russian projects. We will follow the imposed EU/UN sanctions and also specific sanctions by countries we operate in. Given the limited amount and size of projects in the Russia region, the impact on our company will likely be marginal.

Leading the way in Enhancing Society Together

Humanity is running out of time to limit global warming to 1.5°C. The urgent need for change poses challenges to the environment, to society and to the economy. These challenges cannot be addressed in isolation. By collaborating closely with clients and stakeholders, we are offering new perspectives on the bigger societal and technological picture. We are shaping innovative solutions to help societies everywhere make the transition to smart and sustainable. At the same time, we have strong regard to the ethical implications of these solutions, to ensure we are driving positive change at every level: globally and locally, for our today and our tomorrow. Join with us in choosing the sustainable route forward, shifting perspectives to turn today's challenges into opportunities and transforming business operations to enhance society.

Amersfoort, the Netherlands
March 18, 2022

Executive Board

Erik Oostwegel (CEO)
Jasper de Wit (CFO)

Consolidated Financial Statements

How can you recover when extreme weather events damage and disrupt your operations? In the face of this question, Kansai International Airport became the catalyst for a collaboration that crossed borders; and showcased the need for diverse and integrated approaches to climate mitigation and resilience

Consolidated Financial Statements

Consolidated Balance Sheet at December 31, 2021

Before profit appropriation *€ thousands*

Assets	Note	31-12-2021	31-12-2020
Fixed assets			
Intangible fixed assets	4	29,236	31,987
Tangible fixed assets	5	10,828	9,170
Financial fixed assets	6	16,831	17,402
		56,895	**58,559**
Current assets			
Work in progress	7	-	-
Receivables	8	131,331	123,395
Cash and cash equivalents	9	174,275	160,084
		305,606	**283,479**
Total assets		**362,501**	**342,038**

Group equity & liabilities	Note	31-12-2021	31-12-2020
Group equity			
Shareholders' equity	10	189,575	163,091
Minority interest	11	98	(275)
		189,673	**162,816**
Provisions	12	29,453	35,685
Non-current liabilities	13	3,286	5,681
Current liabilities	14	140,089	137,856
Total Group equity & liabilities		**362,501**	**342,038**

Consolidated Income Statement for the year 2021

€ thousands

	Note	2021	2020
Net turnover	17	**623,708**	**593,893**
Change in work in progress		(4,431)	(2,984)
Total operating income		**619,277**	**590,909**
Costs of work subcontracted and other external expenses		118,105	112,472
Salaries and wages	18	289,923	273,829
Social security & pension charges	18	68,284	64,091
Depreciation and amortisation on tangible and intangible fixed assets	4, 5	11,563	10,373
Impairment of intangible fixed assets	4	3,048	1,382
Other operating expenses	20	106,911	110,870
Total operating expenses		**597,834**	**573,017**
Operating result		**21,443**	**17,892**
Interest income		335	507
Interest expenses		(874)	(721)
Net interest expenses		(539)	(214)
Result from ordinary activities before tax		**20,904**	**17,678**
Corporate income tax	21	(7,158)	(5,174)
Share of result of participating interests		1,586	478
Result after tax		**15,332**	**12,982**
Minority interest		(172)	45
Net result		**15,160**	**13,027**

Consolidated Statement of Comprehensive Income for the year 2021

€ thousands

	Note	2021	2020
Consolidated net result after taxation		**15,332**	**12,982**
Translation differences on foreign participating interests	10	3,040	(3,425)
Remeasurement of defined benefit plan	10	6,039	(1,859)
Total of direct movements in Group equity		**9,079**	**(5,284)**
Total result of the Group		**24,411**	**7,698**

Consolidated Cash Flow Statement for the year 2021

€ thousands

	Note	2021	2020
Operating result		**21,443**	**17,892**
Adjusted for:			
Amortisation, depreciation and impairment	4, 5	14,611	11,755
Other value adjustments		(20)	114
Changes in provisions	6, 12	(880)	(3,066)
Work in progress	7	5,540	6,222
Receivables	8	(4,898)	22,711
Current liabilities	14	(2,751)	(754)
Changes in working capital		(2,109)	28,179
Cash flows from business operations		**33,045**	**54,874**
Interest received		343	500
Dividends received	6	1,670	287
Interest paid		(828)	(755)
Income tax paid		(11,219)	(1,038)
Cash flow from operating activities		**23,011**	**53,868**
Investments in:			
Intangible fixed assets	4	(3,613)	(2,647)
Tangible fixed assets	5	(5,375)	(5,078)
Financial fixed assets	6	(273)	(61)
Acquisition of group companies	3	(3,991)	(8,107)
Disposals of assets:			
Intangible fixed assets	4	-	59
Tangible fixed assets	5	80	284
Financial fixed assets	6	3	26
Cash flow used in investing activities		**(13,169)**	**(15,524)**
Sale or (Purchase) of own shares	10	2,653	(2,445)
Repayment of borrowings	13	(101)	(178)
Proceeds from borrowings	14	-	150
Dividends paid to shareholders of the company	10	(409)	(345)
Dividends paid to holders of minority interests	11	(12)	(2)
Cash flow generated from/used in financing activities		**2,131**	**(2,820)**
Net cash flow		**11,973**	**35,524**
Exchange gains/losses		2,218	(3,205)
Changes in cash and cash equivalents		**14,191**	**32,319**
Cash and cash equivalents at January 1		160,084	127,765
Movements during the year		14,191	32,319
Cash and cash equivalents at December 31		**174,275**	**160,084**

Notes to the Consolidated Financial Statements

1 General information and basis of preparation

1.1 Operations

Royal HaskoningDHV is an independent, international engineering and project management consultancy with almost 140 years of experience. Backed by the expertise and experience of almost 6,000 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 in some 140 countries.

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 2021, which ended at the balance sheet date of December 31, 2021.

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.

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 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.

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

The Group uses the percentage of completion method (POC) in accounting for its fixed price contracts to deliver design services. Use of the POC method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Project valuation

Valuation of project related work in progress and receivables require management estimates with respect to its recoverability.

Goodwill

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.

Provisions

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. Please refer also to note 2.14.

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.

The Group's current financial position is very healthy. The Covid-19 crisis modestly impacted the order portfolio and operating income and due to better working capital management and cost savings, 2021 yielded in a positive €9.8 million free cash flow (cash flow from operating and investing activities).

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 2020 numbers of the Group have been changed for comparison purposes in notes 17 and 22. Indonesia has been added to the Asia Pacific region in both notes (breakdown by geographical area).

Three Business Lines (BL) have been combined to two (breakdown by Business Line):
- Former BL Maritime & Aviation was split,
- Maritime is now combined with Water: Water & Maritime,
- Aviation is now combined with Transport & Planning and is now called: Mobility & Infrastructure.

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.

2.2 Changes in accounting principles

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.

Revenue recognition - change for 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 slightly 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 will be applied to agreements entered into or amended on or after January 1, 2022.

Work in progress - change for 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.

2.3 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.

2.4 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.

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 expectedfuture 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. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realisable value 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.

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 present value 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.

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 assessment 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 reliable. 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 exists, 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 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, forecast current year, budget next year and further financial projections for four years after the available budget. Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

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.

2.5 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 2.4.

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.

Goodwill at acquisition of subsidiaries and non-consolidated participations as calculated in accordance with note 1.8 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

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

Research costs are recognised in the income statement.

2.6 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 2.4.

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 – 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.

2.7 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.

2.8 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 are measured at the fair value of the services that are or will be received in return.

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. If it shows a credit balance, this will be presented under current liabilities.

2.9 Receivables and securities

The accounting policies applied for the valuation of trade and other receivables and securities are described under note 2.4 Financial instruments.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

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 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.

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.

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.

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.

For deferred income tax we refer to note 2.7.

2.15 Non-current liabilities
The valuation of non-current liabilities is explained under note 2.4 Financial instruments.

2.16 Current liabilities
The valuation of current liabilities is explained under note 2.4 Financial instruments.

2.17 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 2.6. 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.

2.18 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.

2.19 Revenue recognition

General information

Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable, net of allowances and discounts. Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, 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.

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

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.

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

Revenue from fixed price and percentage fee based contracts for delivering design services is recognised under the POC method. Under the POC method, revenue is generally recognised based on assessments of the services performed to date as a percentage of the total services to be performed. As soon as the outcome of a contract can be estimated reliably, project revenue and project costs associated with the project are recognised as revenue and expenses respectively in proportion to the amount of work performed as at balance sheet date. 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.

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 and royalties are received for the use of the assets of the Group, such as trademarks and patents. Revenue is recognised when the amount of the consideration receivable can be determined reliably and recovery is probable. Royalty revenue is recognised at the moment that the rights of the licences are transferred to the buyer.

2.20 Net turnover

Turnover comprises the fair value of the consideration for the sale of goods, services to third parties and subscriptions, net of discounts and exclusive of value added tax attributable to activities performed during the reporting period.

2.21 Movement work in progress

At the balance sheet date, the invoicing of projects does not equal project costs or project results. The difference between these two amounts at January 1 and December 31 is shown separately as a part of total operating income.

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 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.

2.25 Operating expenses

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

2.26 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.

2.27 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 2021 the provisional actual coverage rate is 114.8% and the provisional policy coverage rate is 108.0%.

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 2.14 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 generally accepted actuarial valuation principles. Changes of the obligation are charged to the result in the period in which they arise.

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 an additional 42% of the shares and voting rights in Hydroinformatics Institute Pte. Ltd. (H2i), Singapore, bringing the total share to 67%. As a result, control has been obtained over H2i, which is a water information consultancy firm, applying digital solutions to the world's climate and water-related challenges. The acquisition of H2i has been recorded applying the 'purchase accounting' method. The purchase price for this acquisition is €2.5 million.

Per August 10, 2021, H2i has been included in the consolidated financial statements of the Group.

Acquiring an additional 42% in H2i resulted in €2.3 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 2.5). These principles determine a risk profile, considering the size and the maturity of the acquired company and business.

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, 2021					
Cost	97,739	9,894	302	2,580	110,515
Accumulated amortisation and impairment	(69,776)	(8,214)	(44)	(494)	(78,528)
Carrying amount	**27,963**	**1,680**	**258**	**2,086**	**31,987**
Movements					
Investments	2,269	408	-	3,205	5,882
Newly consolidated	-	34	-	-	34
Reclassification	-	(22)	-	-	(22)
Exchange differences	967	3	-	22	992
Adjustment earn-out	1,132	-	-	-	1,132
Impairment	(3,048)	-	-	-	(3,048)
Amortisation	(5,753)	(618)	(27)	(1,323)	(7,721)
Subtotal	**(4,433)**	**(195)**	**(27)**	**1,904**	**(2,751)**
At December 31, 2021					
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**
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, forecast 2021, budget 2022 and further financial projections for 2023-2026. Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

Above mentioned tests have led to the impairment of the remaining goodwill of the CGU M&I Aviation (€3.0 million).

Goodwill investments relate to H2i - Singapore. The earn-out adjustment is related to ITP and Novius.

The carrying amount of Development cost mostly relates to the Aquasuite® software in the Netherlands, for €3.8 million and €0.2 million relates to Ambiental software in United Kingdom.

The carrying amount of Goodwill is geographically divided as follows:

	31-12-2021	31-12-2020
the Netherlands	10,461	12,239
United Kingdom	10,527	11,759
Asia	2,542	667
Americas	-	3,298
	23,530	**27,963**

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, 2021						
Cost	9,591	10,129	17,949	2,206	-	39,875
Accumulated depreciation and impairment	(6,645)	(7,964)	(14,584)	(1,512)	-	(30,705)
Carrying amount	**2,946**	**2,165**	**3,365**	**694**	**-**	**9,170**
Movements						
Investments	42	263	4,216	672	185	5,378
Divestments	-	(21)	(13)	(46)	-	(80)
Newly consolidated	111	4	-	-	-	115
Reclassification	-	3	6	13	-	22
Exchange differences	6	33	14	12	-	65
Depreciation	(459)	(471)	(2,623)	(289)	-	(3,842)
Subtotal	**(300)**	**(189)**	**1,600**	**362**	**185**	**1,658**
At December 31, 2021						
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**
Depreciation rate in %	0 - 33	10 - 33	20 - 33	20 - 33	0	

The investments in tangible fixed assets of €5.4 million relate to: hardware (laptops) (€4.0 million) in the Netherlands, office refurbishments in United Kingdom (€0.4 million) and other investments in various countries (€1.0 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, 2021	**4,866**	**12,531**	**5**	**17,402**
Investments / additions	273	592	-	865
Reclassification	(150)	(5)	-	(155)
Repayments / utilisation	(4)	(1,412)	-	(1,416)
Remeasurement of defined benefit plan	-	(155)	-	(155)
Share of result in participating interests	1,586	-	-	1,586
Newly consolidated	5	-	1	6
Exchange differences	(131)	499	-	368
Dividends	(1,670)	-	-	(1,670)
At December 31, 2021	**4,775**	**12,050**	**6**	**16,831**

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:

	31-12-2021 Deferred income tax assets	31-12-2020 Deferred income tax assets
Deductible temporary differences related to United Kingdom pensions	4,341	4,117
Other deductible temporary differences	3,798	3,868
Total deductible temporary differences	**8,139**	**7,985**
Tax losses	3,911	4,546
	12,050	**12,531**

An amount of €3.5 million of the €12.1 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 €15.3 million (2020: €18.1 million).

The deferred tax asset for tax losses includes a deferred tax benefit of €2.7 million for the liquidation of the entities in Portugal.

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 2021 +€6.0 million is recognised directly in equity (2020: -€1.9 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:

	31-12-2021	31-12-2020
Costs incurred and estimated earnings	1,741,951	1,676,258
Billings to date	(1,754,120)	(1,686,346)
	(12,169)	**(10,088)**

	31-12-2021	31-12-2020
Costs incurred and estimated earnings in excess of billings	68,556	65,306
Billings in excess of cost incurred and estimated earnings	(80,725)	(75,394)
	(12,169)	**(10,088)**
Less:		
Provision for expected losses	(10,445)	(8,692)
Payments in advance	(3,907)	(2,288)
	(26,521)	**(21,068)**

Change in work in progress in the income statement is not equal to the movement in the balance sheet because the income statement only includes the movement in costs incurred and provision for expected losses. Furthermore differences occur due to acquisitions, exchange differences and reclassification. The negative amount of work in progress is included in the current liabilities, see note 14.

8 Receivables

	31-12-2021	31-12-2020
Trade receivables	106,818	102,537
Amounts owed from participating interests	6,276	4,550
Corporate income tax	246	217
Other taxes and social security charges	1,191	850
Employee advances	640	238
Prepaid expenses	14,072	13,574
Other receivables	2,088	1,429
	131,331	**123,395**

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 approximates the book value.

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, 2021 were: 64 (2020: 70).

	31-12-2021	31-12-2020
Trade receivables	122,379	122,278
Less: provision for bad debts	(15,561)	(19,741)
	106,818	**102,537**

During the year the provision for bad debts decreased by €4.2 million, of which we used €2.2 million for trade debtors written off. The total impact on the 2021 result was €2.0 million.

9 Cash and cash equivalents

The cash and cash equivalents balance includes an amount of €0.3 million (2020: €0.4 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.

10 Shareholders' equity

Movements in 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, 2021	**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, 2021	**5,103**	**3,187**	**(6,885)**	**7,967**	**165,043**	**15,160**	**189,575**

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

	2020						
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1, 2020	**5,099**	**3,043**	**(10,111)**	**3,885**	**147,037**	**9,185**	**158,138**
Movements							
Legal and statutory reserves	-	-	-	2,158	(2,158)	-	-
Exchange differences	-	-	(3,425)	-	-	-	(3,425)
Unappropriated result	-	-	-	-	-	13,027	13,027
Transfer result last year to other reserves	-	-	-	-	9,185	(9,185)	-
Shares issued	-	-	-	-	-	-	-
Own shares (repurchased) / sold	-	-	-	-	(2,445)	-	(2,445)
Dividend	-	-	-	-	(345)	-	(345)
Other movements in reserves	-	-	-	-	(1,859)	-	(1,859)
Subtotal	**-**	**-**	**(3,425)**	**2,158**	**2,378**	**3,842**	**4,953**
At December 31, 2020	**5,099**	**3,043**	**(13,536)**	**6,043**	**149,415**	**13,027**	**163,091**

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 30 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 €3.7 million, a legal reserve for capitalised development costs of €4.0 million and a legal reserve of €0.3 million in Portugal, Belgium and China.

The earnings per share amount to €2.97 over the year 2021, 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:

	31-12-2021	31-12-2020
At January 1	**(275)**	**(257)**
Result for the year	172	(45)
Newly consolidated	191	-
Dividends	(12)	(2)
Exchange differences	22	29
At December 31	**98**	**(275)**

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, 2021	**21,671**	**5,236**	**6,138**	**185**	**2,455**	**35,685**
Additions	325	2,198	1,853	33	26	4,435
Withdrawals	-	(2,395)	(377)	-	(24)	(2,796)
Reclassification	-	-	-	(5)	-	(5)
Remeasurement of defined benefit plan	(6,194)	-	-	-	-	(6,194)
Interest rate and discount rate changes	-	-	-	-	-	-
Release to profit & loss account	-	(1,993)	(836)	(2)	(508)	(3,339)
Exchange differences	1,561	36	67	10	(7)	1,667
At December 31, 2021	**17,363**	**3,082**	**6,845**	**221**	**1,942**	**29,453**

Of the provisions €27.2 million (2020: €33.1 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

	31-12-2021			31-12-2020
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Total
At January 1	**87,650**	**65,979**	**21,671**	**24,776**
Included in income statement				
Interest	1,293	968	325	419
Past service costs	-	-	-	179
Included in equity				
Actuarial loss (gain) arising from:				
- Scheme experience	(1,083)	-	(1,083)	(201)
- Financial and demographic assumptions	621	-	621	8,321
Return on plan assets (excluding interest income)	-	5,732	(5,732)	(5,274)
Subtotal	**(462)**	**5,732**	**(6,194)**	**2,846**
Exchange differences	6,316	4,755	1,561	(1,339)
	5,854	**10,487**	**(4,633)**	**1,507**
Other				
Contributions paid by employer	-	-	-	(5,210)
Benefits paid	(3,448)	(3,448)	-	-
At December 31	**91,349**	**73,986**	**17,363**	**21,671**

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

Plan assets

Plan assets comprise of the following:

	31-12-2021		31-12-2020	
	amount	%	amount	%
Insured assets	1,363		1,515	
Index-linked bonds	13,405		15,009	
Pooled liability driven investment funds	19,933		13,941	
Total matching assets	**34,701**	**46.9%**	**30,465**	**46.2%**
United Kingdom equities	6,291		5,377	
Overseas equities	9,066		7,421	
Diversified growth funds	23,776		19,577	
Property	-		1,514	
Cash	152		1,625	
Total growth assets	**39,285**	**53.1%**	**35,514**	**53.8%**
Total invested assets	**73,986**	**100.0%**	**65,979**	**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):

	31-12-2021	31-12-2020
Discount rate	1.8	1.4
Inflation (Retail Price Index)	3.4	2.8
Inflation (Customer Price Index)	3.1	2.5
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 17-year corporate bond index.

The mortality assumptions adopted at December 31, 2021 are 98% of the standard tables S2PMA, year of birth, no ageing for males and females, projected using CMI_2020x converging to 1.25% per annum.

These imply the following life expectancies at age 65 years:

	31-12-2021	31-12-2020
Longevity at age 65 for current pensioners		
Males	21.9	21.8
Females	23.9	23.7
Longevity at age 65 for current members aged 45		
Males	23.3	22.8
Females	25.4	24.9

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:

		31-12-2021	31-12-2020
Discount rate	Decrease of 0.1% per annum	1.7% increase	1.6% increase
Rate of inflation	Increase of 0.1% per annum	1% increase	1% increase (of inflation-linked)
Rate of mortality	Increase life expectancy of 1 year	4.4% increase	3.9% increase

The average duration of the defined benefit obligation at the period ending at December 31, 2021 is 17 years (2020: 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, 2018, it was agreed that a lump sum payment of £4.7 million be made, this was paid in January 2020. Followed by annual contributions of £1.7 million between January 1, 2023 and February 28, 2030. These are increased by 3% per annum each subsequent January 1.

Restructuring

Restructuring costs include provisions for staff redundancy and costs due to onerous rental agreement buildings. The movements in 2021 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, resulting in a release of €1.3 million in 2021.

Approximately €1.7 million (2020: €1.9 million) of the restructuring provision is due within one year.

Long-term employee benefits

This item mainly 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.

The following key actuarial assumptions have been used in determining the provision:

- Discount rates: based on iBoxx AA classified European corporate bonds;
- Life expectancy: forecast table AG2020 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 €1.4 million (2020: €0.7 million).

In addition provisions have been made for mandatory severance and disability schemes in a number of overseas countries of operation.

This provision has mainly a non-current nature; the Group expects to use approximately €6.4 million (2020: €5.8 million) after 2022.

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, 2021	**5,681**
Transferred from current liabilities	1,605
Repayments	(1,671)
Adjustment earn-out	1,112
Exchange differences	286
Transferred to current liabilities	(3,727)
At December 31, 2021	**3,286**

Repayment obligations falling due within 12 months are included in current liabilities (note 14). This relates to an amount of €3.7 million (2020: €1.6 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 2021 and will only be paid when agreed conditions have been met. The conditions are mainly related to operational results and revenue targets.

Banking facilities

Per December 31, 2021 the Group has a guarantee facility of €50.0 million with three banks in the Netherlands. A multipurpose facility of €30 million has been cancelled by the Group on July 22, 2021.

As security there is a pledge on the receivables of the borrowers. The facility has a 1-month Euribor denominated interest rate.

The debt covenant for the multipurpose facility states that the leverage ratio must not exceed 2.0 at December 31, 2021 and the interest coverage ratio shall not be lower than 4.0. Per December 31, 2021 the leverage ratio (net debt/EBITDA) is –4.6 and the interest coverage ratio is 67.7.

Parallel to the guarantee facilities the Group has loan or guarantee facilities with banks in South Africa (€2.5 million Prime Rate denominated overdraft facility, €1.7 million guarantee facility), India (€3.6 million multi-purpose facility) and Vietnam (€0.7 million multi-purpose facility). There are no securities given for the facility in South Africa. In other countries the Group has guarantee facilities of €3.2 million.

In total the Group has €76.2 million banking facilities. Within these facilities €3.0 million can be used for loans, €54.9 million can be used for guarantees, €4.3 million can be used for both loans and guarantees, €13.2 million can be used as FX facility and €0.8 million can be used as credit card facility.

14 Current liabilities

	31-12-2021	31-12-2020
Amounts owed to credit institutions	48	150
Short-term part of non-current liabilities	3,727	1,605
Trade payables	29,646	34,301
Corporate income tax	2,600	7,313
Other taxes & social security charges	28,787	30,937
Holliday allowance	8,597	8,112
Amounts owed to participating interests	124	34
Pension premiums	3,944	3,576
Leave entitlements	9,944	8,827
Accrued expenses	10,137	8,854
Work in progress (see note 7)	26,521	21,068
Other short-term liabilities	16,014	13,079
	140,089	**137,856**

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 €10.2 million (2020: €10.6 million) and VAT of €18.6 million (2020: €20.3 million).

Corporate income tax payable decreased with €4.7 million, because in 2021 postponed 2020 taxes were paid.

Included in accrued expenses are accruals for accommodation, ICT costs and project related costs of €3.9 million (2020: €2.8 million), staff related accruals of €2.0 million (2020: €1.6 million) and other of €4.2 million (2020: €4.5 million).

Other short-term liabilities includes other staff related accruals of €12.0 million (2020: €10.2 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 €321 million (2020: €303 million), consisting of trade receivables (€122 million excluding the provision for bad debts (2020: €122 million)), other receivables (€25 million (2020: €21 million)) and cash (€174 million (2020: €160 million)). The credit risk is concentrated at a large number of counterparties, the highest receivable amounts to €3.3 million (2020: €3.3 million). These invoices are less then 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 54% (2020: 56%) 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 €15.6 million (2020: €19.7 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, VND 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:

	31-12-2021		31-12-2020	
	Estimated fair value	Contract value/ projected principal amounts	Estimated fair value	Contract value/ projected principal amounts
EUR / USD	(397)	11,761	921	14,633
EUR / KWD	(248)	4,082	140	4,085
EUR / VND	119	2,278	(274)	3,466
EUR / SAR	(95)	2,109	208	4,324
GBP / USD	(28)	1,481	101	2,053
EUR / INR	(102)	1,070	-	-
EUR / CNY	(40)	715	6	605
GBP / INR	(8)	457	25	953
GBP / EUR	-	-	6	1,184
EUR / AED	-	-	3	1,180
EUR / ILS	-	-	2	758
EUR / TWD	-	-	1	333
Other	(7)	652	40	2,833
	(806)	**24,605**	**1,179**	**36,407**

All contracts expire in the coming year.

Liquidity risk

Management ensures that sufficient balances are available for a minimum period of 18 days (a minimum of €30 million) 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

	31-12-2021				31-12-2020
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Total
Equipment / utilities	23	15	-	38	42
Buildings rental / lease	13,341	33,083	7,762	54,186	61,545
Car lease	4,983	6,701	-	11,684	12,521
ICT lease	11,853	19,305	-	31,158	31,631
	30,200	**59,104**	**7,762**	**97,066**	**105,739**

In 2021, the commitments ensuing from this recognised in the profit and loss account amounted to €33.4 million (2020: €33.3 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 2020 the Group signed an agreement for the purchase of an office building. Delivery date of the property will be April 25, 2022. Parties have agreed on a purchase price of €4.0 million. The Group will rejuvenate the building, which in 2024 will replace some of the current office locations. A contractor has been selected, which has started the preparations. The contract value of this work is €35.4 million.

At December 31, 2021 the Group had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €34.1 million (2020: €35.7 million).

Counter guarantees in favour of the Group have been received for a value of €0.5 million (2020: €1.8 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.

17 Net turnover

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

	2021	2020
the Netherlands	327,844	332,002
Continental Europe (excl. NL)	77,493	48,107
Asia Pacific	64,066	63,533
United Kingdom	55,565	45,032
Africa, Middle East and India (excl. SA)	51,664	54,565
South Africa	25,760	25,943
Americas	21,316	24,711
	623,708	**593,893**

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

	2021	2020
Industry & Buildings	213,930	198,276
Mobility & Infrastructure	185,018	183,069
Water & Maritime	174,467	168,533
Southern Africa	28,558	30,630
Digital	21,735	13,385
	623,708	**593,893**

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

18 Employee benefits

	2021	2020
Salaries and wages	289,923	273,829
Social security charges	33,725	32,205
Pension charges	34,559	31,886
	358,207	**337,920**

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	2021	2020
E. Oostwegel (CEO)	510	96	111	18	735	755
J. de Wit (CFO)	364	65	79	18	526	505
					1,261	**1,260**

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:	2021	2020
P.M.M. Blauwhoff (Chairman, appointed on April 23, 2020)	52	44
J.A.P. van Oosten (former Chairman, resigned on April 23, 2020)	-	16
A.M. Paulussen-Hoogakker	40	38
F.C.M. Roelofsen-van Dierendonck (appointed on April 23, 2020)	41	28
D.A. Sperling	42	38
J.S.T. Tiemstra	42	38
	217	**202**

20 Other operating expenses

	2021	2020
Temporary staff	25,425	21,368
Office expenses	32,986	29,544
Travel and accommodation	11,198	13,326
Occupancy expenses	18,095	19,487
Work by third parties	8,579	10,769
Additional personnel expenses	5,793	4,939
Other operating expenses	4,210	7,144
Restructuring costs and other one-off items	625	4,293
	106,911	**110,870**

Restructuring costs include provisions for staff redundancy and partial release of the provision for onerous lease contracts.

Included in other operating expenses is a gain on exchange differences of €0.2 million (2020: loss €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:

	2021			2020
	PricewaterhouseCoopers Accountants N.V.	Other PwC network	Total PwC	Total PwC
Audit of the financial statements	285	219	504	480
Other audit related services	-	-	-	-
Tax-related advisory services	-	4	4	-
Other non-audit services	-	-	-	6
	285	**223**	**508**	**486**

The fees mentioned in the table for the audit of the financial statements 2021 (2020) relate to the total fees for the audit of the financial statements 2021 (2020), irrespective of whether the activities have been performed during the financial year 2021 (2020).

21 Corporate income tax

The major components of the tax expense are as follows:

	2021	2020
Tax liability for current financial year	7,616	7,493
Movement in temporary differences	241	(1,076)
Adjustment in valuation of deductible losses	(819)	(758)
Adjustment for prior periods	231	669
Other adjustments	(111)	(1,154)
Tax expense	**7,158**	**5,174**

The applicable weighted average tax rate is 23.5% (2020: 25.0%), 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 2021 amounts to €7.2 million, or 31.8% (2020: 28.5%) 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:

	2021		2020	
Result before tax	22,490		18,156	
Statutory tax rate NL	5,623	25.0%	4,539	25.0%
Changes related to:				
Utilisation of previously reserved loss carry-forwards	(1,113)	(4.9%)	(1,311)	(7.2%)
New loss carry-forwards not expected to be realised	294	1.3%	553	3.0%
Non tax deductible goodwill amortisation	2,282	10.1%	1,468	8.1%
Non taxable income	(437)	(1.9%)	(122)	(0.7%)
Non tax deductible expenses	581	2.6%	1,108	6.1%
Withholding and foreign taxes	230	1.0%	158	0.9%
Tax rate differences	(332)	(1.5%)	(9)	-
Prior year tax results	230	1.0%	669	3.7%
Addition (releases) of other tax liabilities	113	0.5%	(62)	(0.3%)
Tax effects on OCI entries	220	1.0%	(171)	(0.9%)
Tax benefits	-	-	(568)	(3.1%)
Rate changes	(112)	(0.5%)	(344)	(1.9%)
Tax incentives and other	(421)	(1.9%)	(734)	(4.0%)
Effective tax rate	**7,158**	**31.8%**	**5,174**	**28.5%**

Tax effects on OCI entries:
Result of tax deductible on Other Comprehensive Income relating to FX results (the Netherlands) and pension excess contributions (United Kingdom).

Tax benefits:
Result of expected liquidation losses for various entities.

Rate changes:
Adjustment of deferred tax assets due to revision of proposed rate changes in the Netherlands and United Kingdom.

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 2021 on average 5,100 (2020: 5,069) 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:

	31-12-2021	31-12-2020
the Netherlands	3,226	3,130
United Kingdom	565	527
Asia Pacific	494	438
Africa, Middle East and India (excl. SA)	374	312
South Africa	339	368
Continental Europe (excl. NL)	145	140
Americas	69	73
	5,212	**4,988**

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

	31-12-2021	31-12-2020
Water & Maritime	1,453	1,318
Industry & Buildings	1,331	1,270
Mobility & Infrastructure	1,305	1,277
Southern Africa	328	357
Digital	264	234
Corporate Groups	531	532
	5,212	**4,988**

23 Changes in consolidated investments

The following investments and divestments were made in 2021:

	Country	Holding at 31-12-2020	Acquired / divested	Holding at 31-12-2021
Investments:				
Hydroinformatics Institute Pte. Ltd.	Singapore	25%	42%	67%

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

The Group has assessed the impact of the Russian - Ukrainian conflict. No staff is located in Ukraine nor Russia. In addition, until further notice, we have stopped all work on Russian projects. As per year end, there were no material outstanding amounts on debtors and work in progress, nor any significant proposals were outstanding in Russia or Ukraine. The Group will monitor the situation closely, follow the imposed EU/UN guidelines on sanctions and be fully compliant. The Group will also check and comply with any local country sanctions imposed by entities we operate from in other countries.

Company Financial Statements

When rebuilding a cyclone-damaged port from scratch isn't an option, how can you ensure it functions safely, while still catering for the ever-changing needs of 100,000 people? Local collaboration and close cooperation held the key as we helped Tonga revive their national port.

Company Financial Statements

Company Balance Sheet at December 31, 2021

Before profit appropriation *€ thousands*

Assets	Note	31-12-2021	31-12-2020
Fixed assets			
Intangible fixed assets	27	1,175	1,748
Financial fixed assets	28	116,911	119,362
		118,086	**121,110**
Current assets			
Receivables	29	9,798	11,032
Cash and cash equivalents		69,866	45,283
		79,664	**56,315**
Total assets		**197,750**	**177,425**

Shareholders' equity & liabilities	Note	31-12-2021	31-12-2020
Shareholders' equity			
Issued share capital		5,103	5,099
Share premium		3,187	3,043
Foreign currency translation reserve		(7,439)	(14,094)
Legal and statutory reserves		7,967	6,043
Other reserves		168,984	153,148
Unappropriated result		14,752	13,236
Subtotal	30	**192,554**	**166,475**
Provisions	31	1,133	1,123
Non-current liabilities	32	2,871	3,323
Current liabilities	33	1,192	6,504
Total Shareholders' equity & liabilities		**197,750**	**177,425**

Company Income Statement for the year 2021

€ thousands

	Note	2021	2020
Share of result of participating interests after tax		18,311	14,736
Company result after tax		(3,559)	(1,500)
Net result		**14,752**	**13,236**

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 2021 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 2.7).

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 2 (2020: 2). Both 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, 2021	
Cost	27,644
Accumulated amortisation and impairment	(25,896)
Carrying amount	**1,748**
Movements	
Impairment	-
Amortisation	(573)
Subtotal	**(573)**
At December 31, 2021	
Cost	11,477
Accumulated amortisation and impairment	(10,302)
Carrying amount	**1,175**
Amortisation rate in %	5 - 20

At each balance sheet date the Company tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exists, the Company 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 Company 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, forecast 2021, budget 2022 and further financial projections for 2023-2026.

Cash flows after five years are extrapolated by perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, post-tax discount rates have been applied.

Above mentioned tests have not led to an impairment of any CGU.

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, 2021	**107,258**	**9,064**	**3,040**	**119,362**
Investments/additions	-	1,275	89	1,364
Repayments/utilisation	-	(420)	(283)	(703)
Reclassification	(193)	-	-	(193)
Share of result in participating interests	18,311	-	-	18,311
Exchange differences	2,427	617	-	3,044
Dividend	(30,313)	-	-	(30,313)
Other movements	6,039	-	-	6,039
At December 31, 2021	**103,529**	**10,536**	**2,846**	**116,911**

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 (+€6.0 million (2020: -€1.9 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:

- HaskoningDHV UK Holdings Ltd. of €3.5 million (2020: €3.3 million), bearing 3m GBP Libor + 2% interest;
- HaskoningDHV Consulting Pvt. Ltd. of €2.2 million (2020: €2.1 million), bearing Base Lending Rate (MCLR) + 2% interest;
- InterVistas Consulting Inc. (USA) of €1.7 million (2020: €1.6 million), bearing US Prime Rate + 2% interest;
- InterVISTAS Holding Inc. of €1.1 million (2020: €1.0 million), bearing Canadian Prime Rate + 2% interest;
- Haskoning International B.V. of €1.9 million (2020: €0.7 million), bearing 1m Euribor + 2% 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 €0.4 million (2020: €1.4 million).

Deferred income tax assets

The deferred income tax asset includes a deferred tax benefit of €2.7 million for the liquidation of the entities in Portugal.

29 Receivables

	31-12-2021	31-12-2020
Amounts owed from group companies / subsidiaries	9,798	10,977
Other receivables, prepayments and accrued income	-	55
	9,798	**11,032**

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 approximates the book value.

30 Shareholders' equity

The authorised and issued share capital amounts to €5,102,855, 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.

	31-12-2021		31-12-2020	
	A shares	B shares	A shares	B shares
Stichting HaskoningDHV	4,717,359	-	4,717,359	-
Stichting Adminstratiekantoor HaskoningDHV	-	385,496	-	311,471
Koninklijke HaskoningDHV Groep B.V.	-	-	-	69,906
	4,717,359	**385,496**	**4,717,359**	**381,377**

During the annual trade round in May 2021 the Trust Office sold a balance of 74,025 DRs to employees (104,217 DRs sold and 30,192 DRs purchased).

Subject to adoption of the financial statements 2021 by the Annual General Meeting, the price will rise by 10.5% to €39.59. Including the proposed dividend of €1.49 (see also Proposed profit appropriation) the total return for the DR holders is 14.6%.

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

	31-12-2021	31-12-2020
Balance at January 1	311,471	381,377
Trade round (bought)	104,217	5,220
Sold	(30,192)	(75,126)
Balance at December 31	**385,496**	**311,471**

Statement of changes in shareholders' equity

Movement of 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**

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

	2020						
	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**	**(10,212)**	**3,885**	**149,113**	**10,840**	**161,768**
Movements							
Legal and statutory reserves	-	-	-	2,158	(2,158)	-	-
Exchange differences	-	-	(3,882)	-	-	-	(3,882)
Unappropriated result	-	-	-	-	-	13,236	13,236
Transfer result last year to other reserves	-	-	-	-	10,840	(10,840)	-
Shares issued	-	-	-	-	-	-	-
Own shares sold / (repurchased)	-	-	-	-	(2,445)	-	(2,445)
Dividend	-	-	-	-	(345)	-	(345)
Other movements in reserves	-	-	-	-	(1,857)	-	(1,857)
Subtotal	**-**	**-**	**(3,882)**	**2,158**	**4,035**	**2,396**	**4,707**
At December 31	**5,099**	**3,043**	**(14,094)**	**6,043**	**153,148**	**13,236**	**166,475**

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

	31-12-2021	31-12-2020
Equity Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	192,554	166,475
Equity DHV Education Foundation	(2,979)	(3,384)
Equity Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**189,575**	**163,091**

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

	2021	2020
Result Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	14,752	13,236
Result DHV Education Foundation	408	(209)
Result Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**15,160**	**13,027**

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 €6.9 million includes a.o. investments in South Africa and Turkey.

A clean-up of the foreign currency translation reserve was done in 2021, which resulted in a release of the reserve of €3.6 million to other reserves. The amount of €3.6 million consists of: opening balance January 1, 2013 (€3.4 million) and €0.2 million for the revaluation on liquidated entities and the revaluation of intercompany loans no longer outstanding. The opening balance per January 1, 2013 was the combined reserve after the merger.

Legal and Statutory reserves

The legal reserve for participating interests which amounts €3.7 million (2020: €3.6 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 €4.0 million. The reserves required under the articles of association (€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 2021, the Executive Board proposes that a dividend of €1.49 per B-share will be distributed to holders of B-shares, representing a value of €574,389. 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-shares (see also Dividend per share). The remaining profit of €14,585,611 will be added to the other reserves.

	31-12-2021			31-12-2020		
	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	385,496	5,102,855	4,717,359	311,471	5,028,830
Earnings						
Allocation of net result over shares in €	14,011,222	1,148,778	15,160,000	12,217,176	809,824	13,027,000
Earnings per share in €	2.97	2.97	2.97	2.59	2.59	2.59
Dividend on shares						
Dividend on B shares: 50% of net result in €		574,389			404,912	
Dividend per share in €		1.49			1.30	

31 Provisions

The provision is related to long-term employee benefits and a tax provision for foreign operations.

32 Non-current liabilities

For terms and conditions of the loan and guarantee facility, refer to note 13 in the Notes to the Consolidated Financial Statements.

Included in non-current liabilities are 2 intercompany loans payable. One loan payable to HaskoningDHV Asset Management B.V. for €2.6 million and the other loan payable to Novius Adviesgroep voor Informatie & Organisatie B.V. for €0.3 million.

Both loans are repayable upon demand by lenders and bear an interest charge of 1m euribor +1%.

33 Current liabilities

	31-12-2021	31-12-2020
Amounts owed to group companies / subsidiaries	8	226
Corporate income tax	701	5,691
Other taxes & social security contributions	47	41
Other debts, accruals and deferred income	436	546
	1,192	**6,504**

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. Corporate income tax payable decreased with €5.0 million because of payment of postponed 2020 tax.

34 Commitments and contingencies not included in the balance sheet

At December 31, 2021 the company had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €7.5 million (2020: €13.2 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 18, 2022

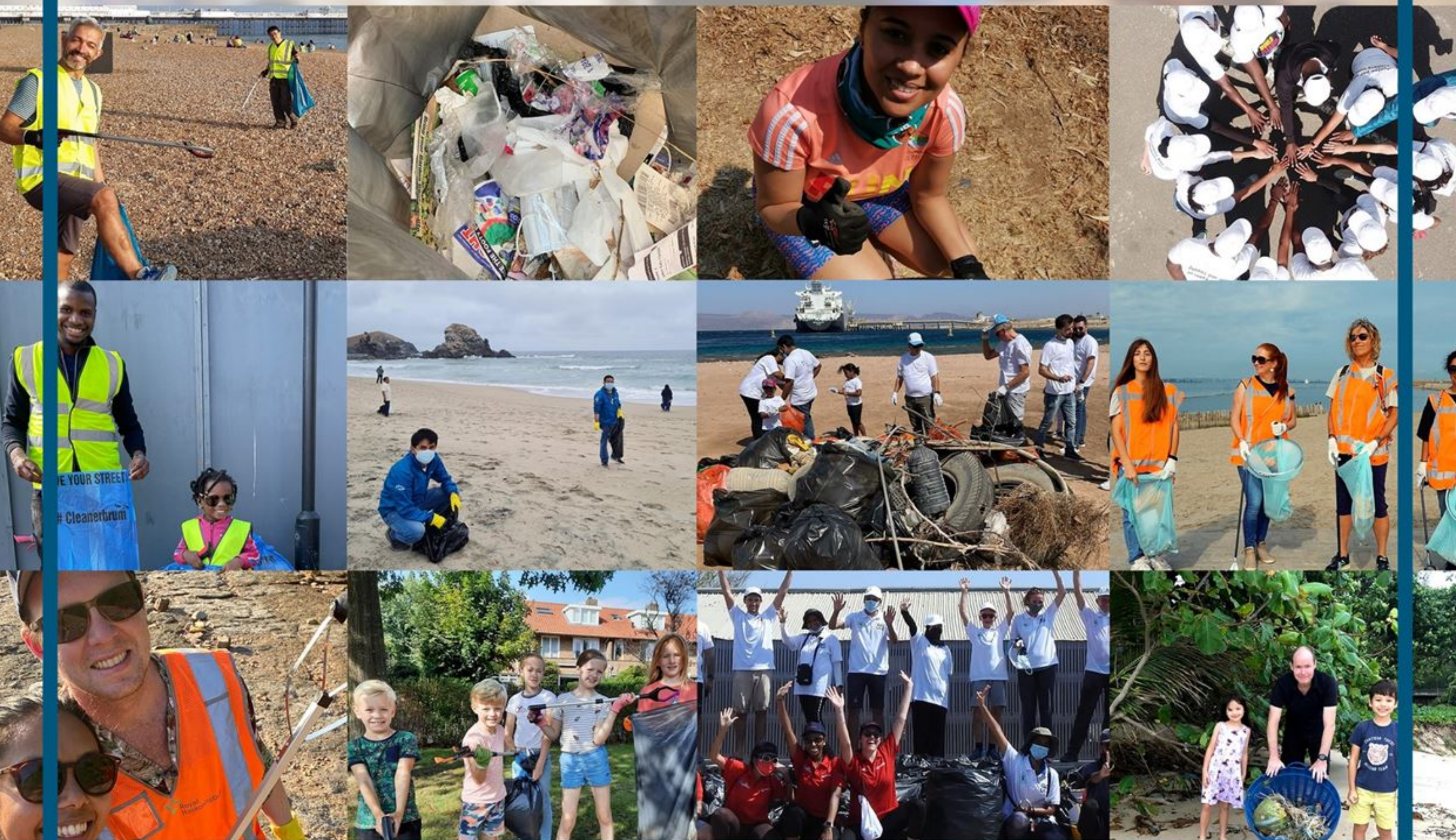
Executive Board

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

Supervisory Board

P.M.M. Blauwhoff (Chairman)
A.M. Paulussen-Hoogakker
F.C.M. Roelofsen-van Dierendonck
D.A. Sperling
J.S.T. Tiemstra

Appendix



During World Cleanup Day in September 2021, some 900 colleagues in more than 40 locations around the globe, filled 860 bags with litter while catching up with colleagues they hadn't seen in person for a long time. Even where this wasn't possible due to Covid-19 restrictions, our teams organised alternative initiatives to create a cleaner and healthier world.

Appendix

Participating interests

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%):

Group companies

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
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, 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 Caribbean Ltd.,	Port of Spain, Rep. of Trinidad and Tobago
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 (86.36%)
Haskoning Cambodia Ltd.,	Phnom-Penh, Cambodia
HaskoningDHV Vietnam Co. Ltd.,	Ho Chi Minh City, Vietnam
Royal Haskoning Qatar LLC,	Doha, Qatar
HaskoningDHV TR Mühendislik A.S.,	Istanbul, Turkey
Haskoning Philippines Inc.,	Manila, Philippines
NACO Mexican Airport Consultants S. De R.L. De C.V.,	Mexico City, Mexico
HaskoningDHV Ireland Ltd.,	Dublin, Ireland
Haskoning International Engineering Consultancy LLC,	Muscat, Oman
Hydroinformatics Institute PTE. Ltd. (H2i),	Singapore, Singapore (67%)
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
HaskoningDHV CR, spol s.r.o.,	Prague, Czech Republic
DHV Polska Sp. z.o.o.,	Warsaw, Poland
HaskoningDHV Polska Sp. z o.o.,	Warsaw, Poland
HaskoningDHV Moçambique, Lda.,	Maputo, Mozambique

Turgis Technology Pty Ltd.,	Johannesburg, South Africa
Turgis Consulting (Pty) Ltd.,	Johannesburg, South Africa
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 Croatia	Croatia
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 St Maarten	St Maarten
HaskoningDHV Nederland Taiwan	Taiwan
HaskoningDHV UK Oman	Oman
HaskoningDHV UK Qatar	Qatar
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%)
Consortio Dique,	Bogota, Colombia (51%)
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 (11.55%)
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 2022.*

Shareholding structure

Koninklijke HaskoningDHV Groep B.V. has two shareholders: the Stichting (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.

Trust Office

The scope of the Trust Office will be to manage the B-shares and to issue and administer the depositary receipts for shares issued to HaskoningDHV staff. 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.

Stichting HaskoningDHV (Foundation HaskoningDHV)

Objective: to manage the A-shares.

This foundation currently holds 4,717,359 A-shares.

Composition of the Board:

I. Brakman (Madam Chair)
J. Bout
R. Brouwer
M. Doornekamp
R.O.T. Zijlstra

Stichting Administratiekantoor HaskoningDHV

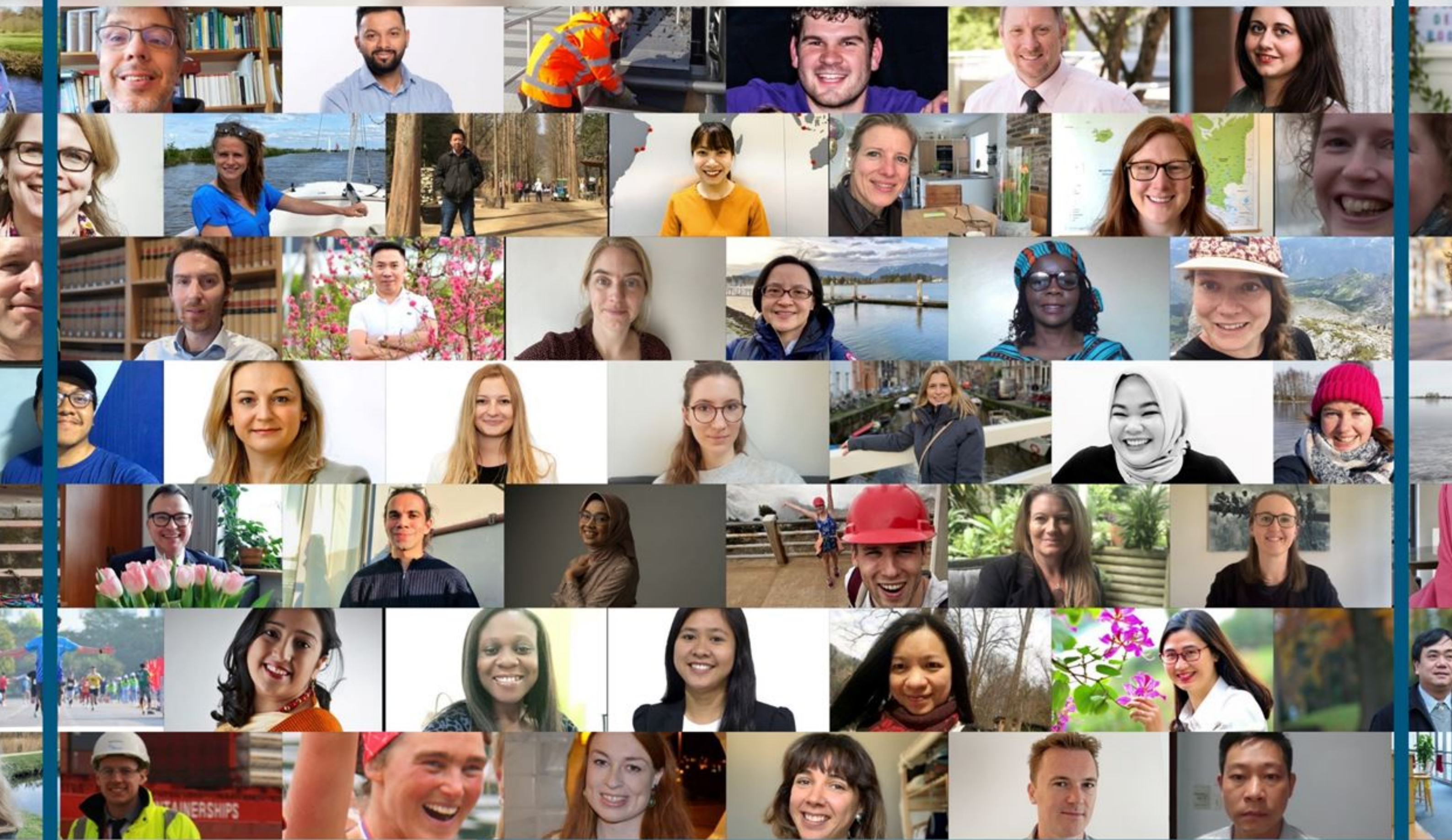
Objective: to manage the B-shares in Koninklijke HaskoningDHV Groep B.V., and to issue and administer the depositary receipts for shares to eligible HaskoningDHV staff members.

This foundation currently holds 385,496 B-shares.

Composition of the Board:

E.Th. Holleman (Chairman)
J.D. van Eeden
J.A.M. Leeuwis - Tolboom

Other Information



On International Women's Day in March 2021 we celebrated women's achievements, raised awareness against bias, and took action for equality.

Other Information

Independent Auditor's Report

To: the general meeting and the Supervisory Board of Koninklijke HaskoningDHV Groep B.V.

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements of Koninklijke HaskoningDHV Groep B.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the company together with its subsidiaries) as at 31 December 2021, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2021 of Koninklijke HaskoningDHV Groep B.V., Amersfoort. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at December 31, 2021;
- the consolidated and company income statement for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Koninklijke HaskoningDHV Groep B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going-concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going-concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Executive Board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Utrecht, March 18, 2022

PricewaterhouseCoopers Accountants N.V.

F. van der Ploeg RA

Appendix to our auditor's report on the financial statements 2021 of Koninklijke HaskoningDHV Groep B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Concluding on the appropriateness of the Executive Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Profit appropriation

Summary of the articles of association provisions governing profit appropriation.

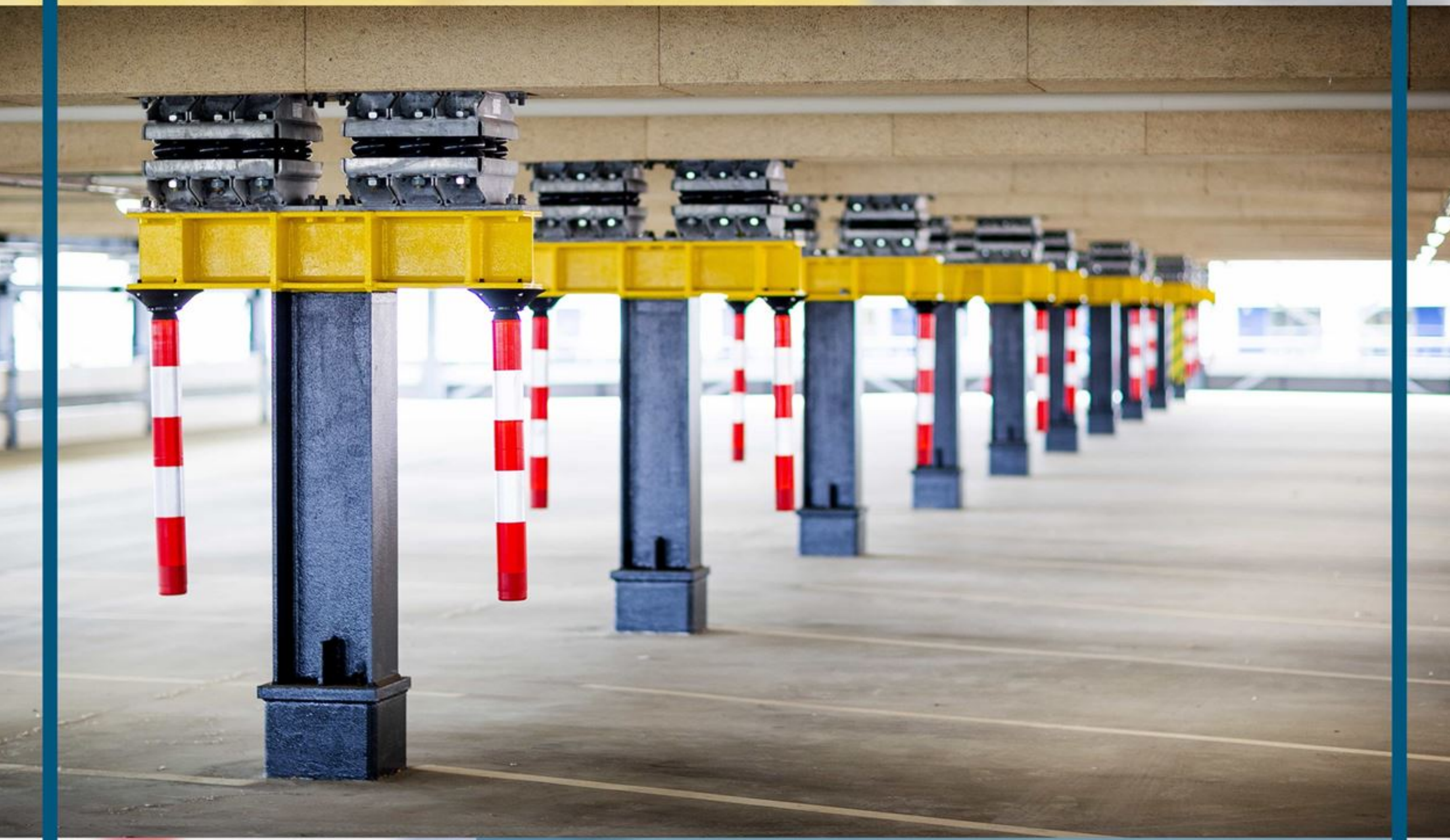
Summary of the articles of association provisions governing profit appropriation Articles 23 and 24 of the articles of association contain (in summary) the following relevant provisions of profit appropriation and dividend:

- 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.

Glossary and Definitions



Can you perform eye surgery on top of a parking garage? Our engineers and scientists collaborated with surgeons to make it happen – helping realise a vision for healthcare in the Netherlands

Glossary and Definitions

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
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
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
GRI	The Global Reporting Initiative, an organisation that publishes international guidelines for CSR reporting
HRM	Human Resources Management
Integrated Report (IR)	Annual report format that integrates general, financial, environmental, and social performance
Net Turnover	Amounts invoiced to clients (excluding VAT), excluding invoiced in advance
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Operating income	Net turnover adjusted for change in work in progress, excluding other operating income
QHSE	Quality, Health, Safety and Environment
Return on average shareholders' equity	Net result / Average shareholders' equity

Company Brands

In the United Kingdom we moved to a new office in Peterborough. A modern, healthy working environment that supports collaboration and creativity. From left: Jo Porter (Royal HaskoningDHV), Kirsty Knight (Peterborough Green Party Councillor), Jonathan Bull (Royal HaskoningDHV Resident Director UK), Mohammed Jamil (Deputy Mayor of Peterborough), Shailesh Vara (Conservative MP for North West Cambridgeshire), Stephen Lane (Mayor of Peterborough), Ashleigh Holmes (Royal HaskoningDHV), Tom Hennessey (CEO Opportunity Peterborough), Sarah Denton (Royal HaskoningDHV).

Company Brands

Royal HaskoningDHV is our main brand. Most other companies within our group are linked to the corporate brand by visual endorsement.

Ambiental Environmental Assessment
Ambiental Risk Analytics

AMBIENTAL ENVIRONMENTAL ASSESSMENT a company of Royal HaskoningDHV

AMBIENTAL RISK ANALYTICS a company of Royal HaskoningDHV

Ambiental Risk Analytics is a global specialist in environmental hazard intelligence, predictive analytics and risk management. It provides flood forecasting systems using flood modelling techniques. These support better decision-making around flood and climate risk management by predicting the location and severity of flooding, preventing damage and protecting people, property and assets. It is Ambiental Risk Analytics's belief that all people, property and capital should be resilient to flooding and climate change risks.

Ambiental Environmental Assessment specialises in flood risk assessment, environmental reports and civil engineering focused on the UK market.
Ambiental was founded in 2002 and became part of Royal HaskoningDHV in 2019. Visit website Ambiental Environmental Assessment and Ambiental Risk Analytics

First Marine International

First Marine International a company of Royal HaskoningDHV Enhancing Society Together

First Marine International is a leading consultancy providing specialist services to the marine industries. It offers expert assistance and information to shipbuilders, ship repairers and other maritime-related organisations world-wide. Its clients include private and public companies as well as governments, multi-national authorities and funding agencies. First Marine International became part of Royal HaskoningDHV in 2008. Visit website

H2i

h2i HYDROINFORMATICS INSTITUTE

The Hydroinformatics Institute (H2i) applies big data analytics, machine learning and advanced computer modelling to some of the world's most pressing water-related challenges, including the impact of climate change. The team's expertise spans monitoring, hydrodynamic modelling, water quality modelling, and operational management systems. Its state-of-the-art computer modelling software and approaches for coastal waters, estuaries, rivers, lakes, and rural and urban areas, drive innovation, leveraging the potential of big data for better inland and coastal water management. H2i is a Singapore-based company established in 2014. H2i and Royal HaskoningDHV first entered into a strategic partnership in 2019; in 2021 Royal HaskoningDHV acquired a majority interest in the company. Visit website

InterVISTAS

InterVISTAS Consulting Group is a leading management consultancy with extensive expertise in aviation, transport and tourism.
Operating since 1997, it has provided innovative solutions to more than 500 clients globally in over 70 countries. InterVISTAS has a team of more than 80 professional and technical experts with a diverse set of skills and industry experience. With an overarching aim to enhance society together, InterVISTAS works closely with clients, stakeholders and partners delivering results to help achieve their vision. InterVISTAS became part of Royal HaskoningDHV in 2011. Visit website

ITP

Established in 1998 and becoming part of Royal HaskoningDHV in 2020, ITP's award-winning multi-disciplinary transport planning team researches, designs, implements, monitors and evaluates sustainable transport initiatives. Its UK-based team focuses on promoting walking, cycling and public transport options for people's everyday journeys. ITP's work helps local and national governments around the world develop and implement transport strategies that improve the way the world moves. Private sector clients benefit from assistance with sustainable planning and delivery of new commercial and residential developments at all scales. Visit website

Lanner

Lanner, a predictive digital twin & simulation software company, provides technology and professional services that empower people to make smarter business decisions and improve processes through predictive analysis and process optimisation.
Lanner was formed in 1996, and became part of Royal HaskoningDHV in 2019. Visit website

NACO

Netherlands Airport Consultants (NACO) is one of the world's leading independent airport consultancy and engineering firms and a global provider of integrated airport planning, airport design and airport engineering services.
Established in 1949 and with more than 70 years of experience and expertise, NACO is instrumental in solving the increasing complexity of developing today's airports. It has delivered solutions to over 550 airports globally in more than 100 countries, helping clients achieve their goals in every aspect of airport design and development.
NACO became part of Royal HaskoningDHV in 2001. Visit website

Novius

Novius has close to 30 years of experience in the field of complex digital business transformations at leading public and private organisations. Based on its proven frameworks, practical methodologies and the Novius academy, it enables clients to manage complexity, innovate and transform their business to sustainably improve value creation and results. With a team of 50 professionals and a flexible pool of experienced networkers, Novius has guided dozens of satisfied customers to develop and implement a sustainable digital strategy to become an efficient, market-oriented and agile organisation. Novius became part of Royal HaskoningDHV in 2020. Visit website

Ocean Shipping Consultants

Ocean Shipping Consultants (OSC) is an independent economic consultancy operating in the maritime sector. It has been part of Royal HaskoningDHV since 2011. The consultancy has become a recognised leader in the field of ocean shipping consulting through the considerable knowledge and experience of its experts together with the extensive trade, port and shipping data it has developed. Visit website

Other Brands

Chuchawal Royal Haskoning

Chuchawal Royal Haskoning, formerly known as Chuchawal–de Weger, is a Thai/Dutch joint venture that was established and incorporated in Thailand in 1974 to provide professional design, engineering, consultancy and project management services. Today, it successfully provides these services to a wide range of international and local clients in various markets. Visit website

Design 103 International

Design 103 International (D103i) – founded by Khun Chuchawal Pringpuangkeo in 1968 – offers outstanding architecture and interior design services in Thailand. Its vision is to ensure that every project is contextually-relevant and inspiring to users and inhabitants. The company strives to create cutting-edge sustainable solutions, which it believes are essential in building next-generation environments and cities that are one with nature. Visit website

About Us

Royal HaskoningDHV is an independent consultancy which integrates 140 years of engineering expertise with digital technologies and software solutions. As consulting engineers, we care deeply about our people, our clients and society at large. 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 solutions to local and global issues related to the built environment.

Change is happening. And it's happening fast – from climate and digital transformation to customer demands and hybrid working. The speed and extent of these changes create complex challenges which cannot be addressed in isolation. New perspectives are needed to accommodate the broader societal and technological picture and meet the needs of our ever-changing world.

Backed by the expertise of almost 6,000 colleagues working from offices in more than 25 countries across the world, we are helping organisations to turn these challenges into opportunities and make the transition to smart and sustainable operations. We do this by seamlessly integrating engineering and design knowledge, consulting skills, software and technology to deliver more added value for our clients and their asset lifecycle.

We act with integrity and transparency, holding ourselves to the highest standards of environmental and social governance. We are diverse and inclusive. We will not compromise the safety or well-being of our team or communities – no matter the circumstances.

We actively collaborate with clients from public and private sectors, partners and stakeholders in projects and initiatives. Our actions, big and small, are driving the positive change the world needs, and are enhancing society now and for the future.

Our head office is in the Netherlands, and we have offices across Europe, Asia, Africa, Australia and the Americas.

Follow us on LinkedIn to stay up to date with news and more:

www.linkedin.com/company/royal-haskoningdhv/

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