Royal HaskoningDHV
Enhancing Society Together

Annual Report 2023

Driving sustainable growth

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Introduction

Introduction by our CEO

Welcome. The year 2023 was a very good one for Royal HaskoningDHV. Our priorities were our people, our impact, and our performance. I am delighted to report progress on all three – credit to the skill and dedication of colleagues. We are making a difference, working with clients who share our drive to create positive impact through the solutions we develop together.

Marije Hulshof

In 2023 we continued to retain and grow our workforce. We invested in talent development and leadership training. We were pleased to record continuing high levels of employee engagement with 80% of all employees feeling enthusiastic and dedicated towards their job. Together, we achieved our financial targets. Operating income grew in line with budgets, and we became more profitable. Our strategy of focusing on global markets where we have clear strengths is the right one. We concentrated on improving the ease of doing business and explored the role of new developments such as generative Artificial Intelligence. In an environment of high inflation, we kept total corporate costs stable.

Our work in 2023 was conducted within a world in turmoil. The urgency of climate change, together with conflicts and war, prompt new questions from our clients. For societies and organisations, resilience, flexibility, and adaptation are becoming ever more important. Our multi-disciplinary approach which embraces the limitless possibilities of technology and digitalisation enables us to respond to increasingly complex needs.

In North Manila Bay in the Philippines (pictured), we are using nature-based solutions to increase flood resilience while restoring biodiversity and building engagement and expertise in the local community. This project won our internal Enhancing Society Together Award. In Belgium, the new Oosterweel road tunnel and underground traffic intersections are addressing congestion and pollution while transforming the metropolitan area of Antwerp into a greener, healthier and better-connected city. In the United Kingdom, we are showing that net zero wastewater treatment plants are a real possibility.

These are just a few examples of how we bring life to our purpose Enhancing Society Together. Now we are making this even more tangible with the introduction of a measurement tool, our Purpose Matrix. From April 2023, we started using it to assess projects for their impact on climate change, biodiversity, resources, social value and safety. Already the data shows a stronger alignment between our projects and our purpose. Looking ahead, we want to continue to improve performance, and also the number of projects that are scrutinised this way. Our commitments to sustainability extend to our own operations where we seek to lead by example. We are ahead of our targets to reduce CO_2 emissions. In 2023, one of our offices in the Netherlands was among the first buildings to receive Paris Proof certification.

We continue to be recognised for pushing our solutions to address social, environmental and economic challenges. This included the Water and Energy Exchange Innovation Award for the digital twin we developed and implemented for Dutch Water Authority WBL. The twin allows them to respond to leakage events in minutes instead of hours, provides actionable insights on pump behaviour and water volume discrepancies and makes operations more efficient. Our commitment to working with nature using innovative sustainable practices was key in a solution to boost fragile saltmarsh ecosystems against rising sea levels and climate change in the east of England. Our Northey Island habitat creation project was the overall winner of the BIG Biodiversity Challenge Award for its lasting impact on biodiversity and habitat protection.

It is clear that external factors such as climate change, geopolitical tensions and digitalisation which influenced our company in 2023, will continue to be prominent in the years ahead. Our priorities for 2024 build on those for 2023. Feedback from clients indicates that they appreciate us for always aiming for more sustainable solutions. This will become increasingly valuable as they face requirements to report and manage their environmental and social impact.

Early in 2024, our South African entity formally became a local company, majority owned by management and employees. This will provide the flexibility and independence it needs to pursue profitable markets that are outside the strategy of our global operation. We will continue to support the progress of the South African entity and develop the mutually beneficial partnerships we have in our Global Leading Market projects especially in data centres, light industry, and aviation.

Finally, 2023 was particularly special for me as I became CEO of our wonderful company. I appreciate the warm welcome I received and am proud of what we have achieved together with our clients, colleagues and partners.

Marije Hulshof
CEO

Scope and approach

Royal HaskoningDHV's Annual Report 2023 is based on financial and administrative documentation from the entire organisation and refers to activities between January 1 and December 31, 2023. The Financial Statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, audited by PricewaterhouseCoopers Accountants N.V. Sustainability reporting within the Key Figures and the Executive Board Report, is based on the same scope and period, with reference to Global Reporting Initiative (GRI) Standards.
All information has been formally reviewed and approved by the Executive Board.

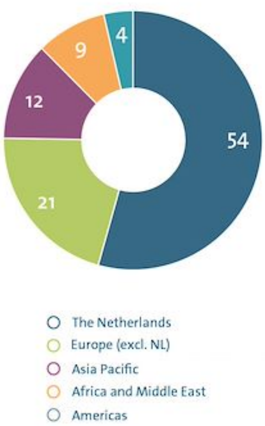
Key Figures

Financial Key Figures

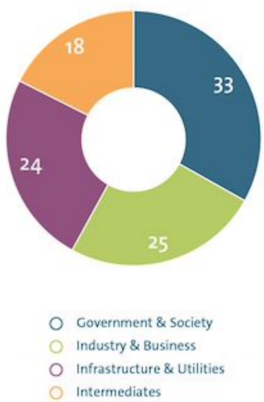
(€ millions, unless stated otherwise)

	2023	2022		
Net turnover / Operating income	**736.3**	**698.8**	**Net turnover / Operating income**	Amounts invoiced to clients (excluding VAT), including other operating income, excluding non-operational items
Added value	**605.7**	**559.0**	**Added value**	Operating income less cost of work subcontracted and other external expenses
Results				
EBITA recurring	51.6	29.8	**EBITA recurring**	EBITA excluding non-operational items (restructuring costs and other one-off items)
EBITA	42.4	28.4		
Net result	24.8	13.7		
Return on average shareholders' equity (%)	11.2	6.9	**Return on average shareholders' equity**	Net result / Average shareholders' equity
EBITA margin, recurring (%)	7.0	4.3	**EBITA margin - Net turnover**	EBITA recurring / Net turnover (Operating income)
EBITA margin, recurring (%)	8.5	5.3	**EBITA margin - Added value**	EBITA recurring / Added value
Earnings per share (€)	4.75	2.66	**Earnings per share**	Net result / Number of ordinary shares issued
Balance Sheet				
Total assets	486.9	451.8		
Shareholders' equity	233.5	209.7		
Group equity	233.6	209.8		
Group equity as percentage of total assets (%)	48.0	46.4		
Financial Position				
Net working capital	5.5	22.1	**Net working capital**	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Free cash flow	33.8	(28.4)	**Free cash flow**	Cash flow from operating and investing activities

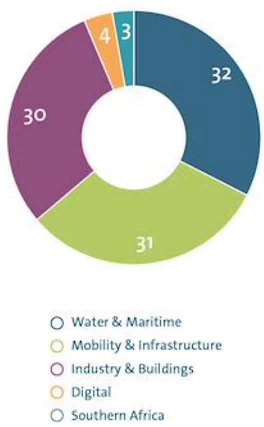
Net turnover by region (%)

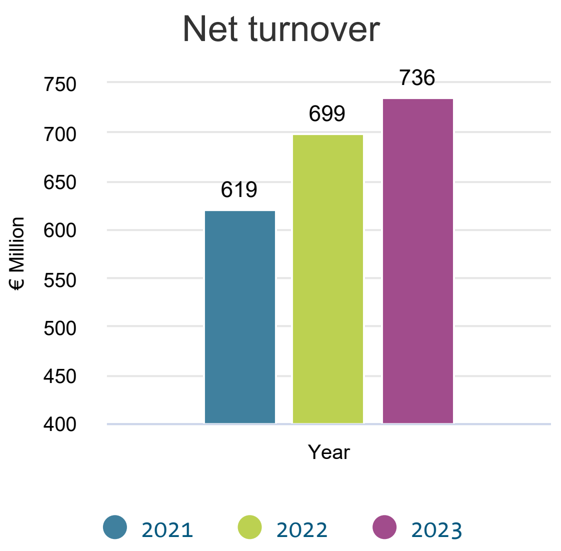


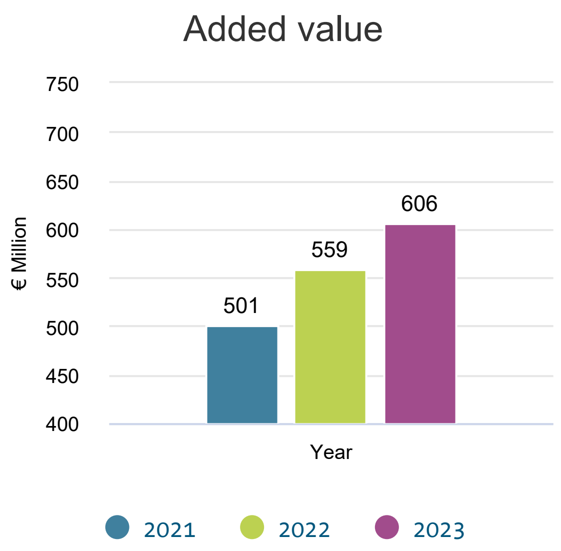
Net turnover by client group (%)

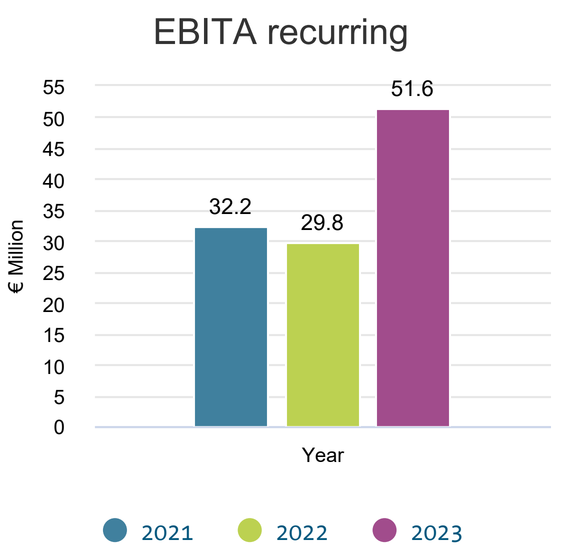


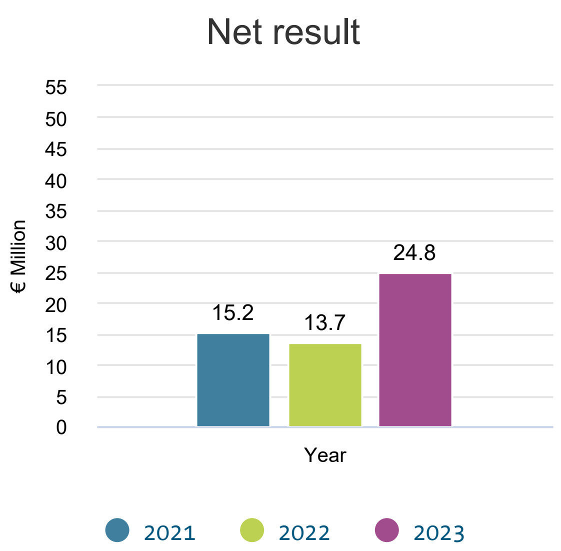
Net turnover by business line (%)




Net turnover
750
700
650
600
550
500
450
400
€ Million
619
699
736
Year
2021
2022
2023


Added value
750
700
650
600
550
500
450
400
€ Million
501
559
606
Year
2021
2022
2023

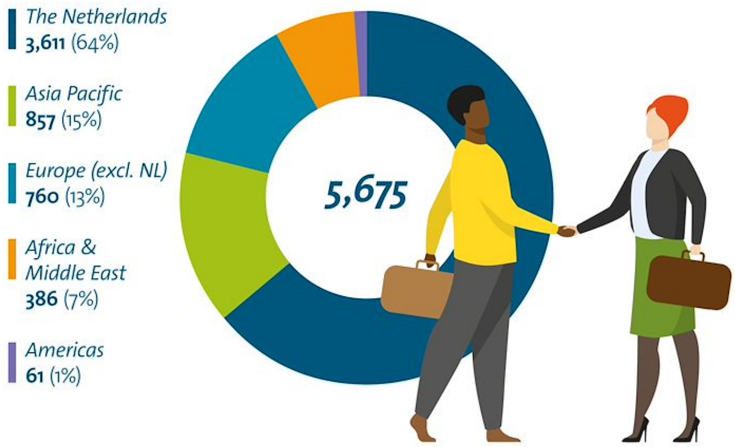

EBITA recurring
55
50
45
40
35
30
25
20
15
10
5
0
€ Million
32.2
29.8
51.6
Year
2021
2022
2023


Net result
55
50
45
40
35
30
25
20
15
10
5
0
€ Million
15.2
13.7
24.8
Year
2021
2022
2023

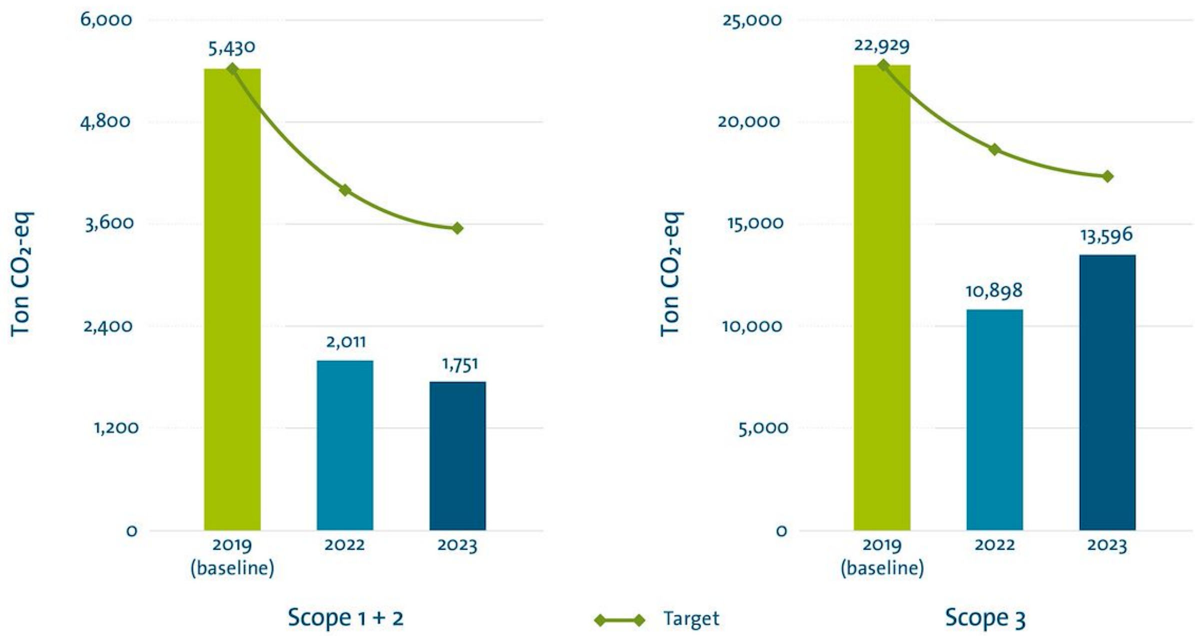
Sustainability Key Figures

	2023	2022	
Employees			
Average employees (headcount)	5,675	5,551	People employed by Royal HaskoningDHV and subsidiaries
Employee engagement (%)	80	82	The percentage of employees that feel enthusiastic and dedicated towards their job
Employee turnover (%)	13.8	15.8	The percentage of employees who left the company
Employee nationalities	89	95	
Young professionals (%)	32	33	The percentage of employees younger than 35 years
Training and development			
Average number of training hours per employee	45	49	
Integrity and ethical performance			
Registered issues and concerns	136	169	
Breaches after investigation	4	5	
Gender ratio (% female)			
Employees	28	26	
Executive Council	29	37	
Supervisory Board	40	40	
Accidents and incidents			
Fatalities	0	0	
Submitted accident and incident reports	170	95	Reports submitted by employees. Accidents: events that result in injuries, sickness or damage to property or the environment. Incidents: events which under slightly different circumstances could have been an accident, a so-called near miss
LTIF	0.09	0.02	Lost time injury frequency per 200,000 workable hours
TRCF	2.70	1.55	Total recordable case frequency per 200,000 workable hours
CO_2 (Ton CO_2-eq)			
Scope 1 emissions	895	1,244	Direct greenhouse gas emissions that occur from sources that are owned or controlled
Scope 2 emissions	856	767	Indirect greenhouse gas emissions that occur from generation of purchased electricity and heat
Scope 3 emissions	13,596	10,898	Indirect greenhouse gas emissions that relate to our activities but which come from sources not owned or directly controlled by us, for example public transport and flying
CO_2 footprint per employee	2.29	1.98	CO_2 emissions from office buildings, business travel and travel by plan / Average number of employees
Sustainability in our work			
Enhancing Society Together client score (0-10 scale)	7.5	7.5	
Enhancing Society Together project self-assessment	3.2	n/a	Self-assessment on how well our projects align with our purpose. Over 1,000 projects were assessed against our 5 themes (scores per theme can range from negative (-1) to very positive (+2))

Employees by region (headcount)



CO_2 emissions



Enhancing Society Together

This chart shows the areas where we believe we can make the biggest difference in delivering benefits for people and planet. We assess our impact as follows: -1 for negative, 0 for neutral, +1 for positive and +2 for very positive. In 2023, we further aligned our projects with our purpose. We measured growth in our performance from 2.97 end-April to 3.19 end-December (2023 target: 3.2). Going forward we aim to grow the pentagon further into the green.

Our Company

Profile

Royal HaskoningDHV is an international, partly employee-owned consulting engineering company since 1881. Our consultants and engineers provide impactful sustainable solutions for the natural and built environment. We guide clients in their journey to be sustainable and future-ready, enabling them to thrive and communities to flourish.

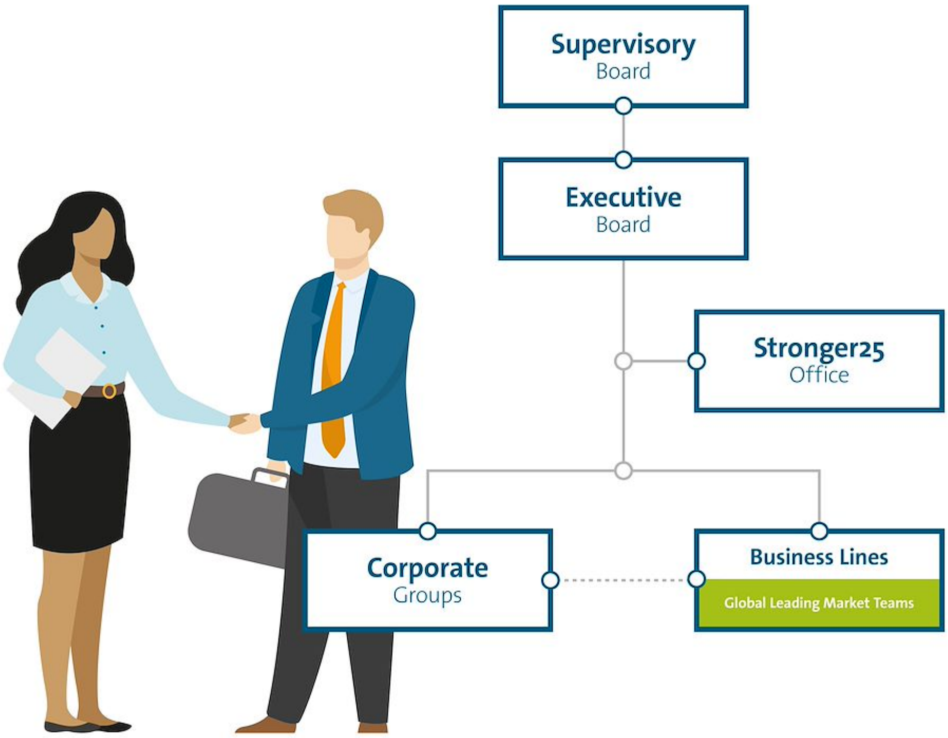
We are dedicated to solving complex client challenges by providing people-centric and independent advice, building on our 140 years of deep domain knowledge integrated with data and software.

Our head office is in the Netherlands. In 2023, we had 58 offices in 24 countries across Europe, Asia Pacific, Africa, the Middle East and the Americas.

A diverse workforce makes up our organisation. In 2023, we were supported by 6,388 colleagues on average - employees, trainees, agency workers and others.

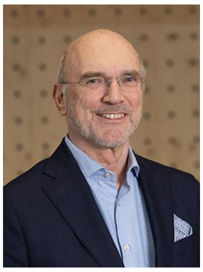
Leadership

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



Supervisory Board

The Supervisory Board's task is to supervise the policy of the Executive Board and the general course of events of the company and its affiliated business. On 4 April 2023, Louisa van den Broek was appointed member of the Supervisory Board of Royal HaskoningDHV succeeding Angelique Paulussen, who stepped down having reached the statutory maximum term.
The Supervisory Board per year-end 2023:



P.M.M. (Peter) Blauwhoff
Chair

L.I. (Louisa) van den Broek

F.C.M. (Francine) Roelofsen-van Dierendonck

D.A. (Daan) Sperling
Vice-Chair

R. (Rob) Zandbergen

More information about the Supervisory Board profile, appointment and resignation scheme, and regulations can be found in the Appendix.

Executive Board

Royal HaskoningDHV is led by the Executive Board. On 4 April 2023, Marije Hulshof was appointed Chief Executive Officer (CEO) and Erik Oostwegel changed from CEO to Chief Commercial Officer (CCO).
The Executive Board per year-end 2023:

Marije Hulshof
CEO

Jasper de Wit
CFO

Erik Oostwegel
CCO

More information about our Executive Board, the portfolio and regulations can be found in the Appendix.

Executive Council

The Executive Council consists of the Executive Board and the Global Directors. It convened monthly in 2023 to discuss policy, strategic, operational, and commercial matters. Examples of such topics are employee engagement, corporate strategy (Stronger25), digital transformation, leadership development, business line performance, key account management and pricing.

Business Lines

In 2023, Royal HaskoningDHV was organised globally across five business lines.

- Industry & Buildings (I&B)
- Mobility & Infrastructure (M&I)
- Water & Maritime (W&M)
- Digital
- Southern Africa

The business lines I&B, M&I, W&M and Digital are each managed by a Global Director who reports directly to the Executive Board. The Business Line Southern Africa was managed by a Regional Director who over the course of 2023 left the Executive Council to provide the required focus on leading the South African business in its transition to becoming a local company, majority owned by management and employees. The Business Line Southern Africa was formally divested early 2024.
The Global Directors per year-end 2023:

Sabine Bink
Industry & Buildings

David de Graaf
Digital

Jon Robinson
Water & Maritime

Anton van der Sanden
Mobility & Infrastructure

More information about our Global Directors can be found on our website.

Extended Executive Council

The Extended Executive Council consists of the Executive Council and the Corporate Directors. In 2023, the members of the Extended Executive Council convened monthly in the Stronger25 Portfolio Board, which has the objective of decision making and priority setting regarding the portfolio of corporate projects and initiatives. Examples of topics discussed are the Integrated Management System, compensation and benefits, generative AI, information management governance and CSRD reporting.

Corporate Groups and Directors

Our business is supported by Corporate Groups.

- Brand, Marketing and Communications
- Finance
- Human Resource Management
- Legal Affairs
- Strategy
- Operational Excellence & Risk Management
- Workplace Solutions

The Corporate Directors per year-end 2023:

Björn Erkens
Operational Excellence & Risk Management

Lisette Heuer
Business Transformation

Bas van Heumen
Finance

Brian Jagt
Strategy

Mark Kokke
Audit, Risk & Compliance

Imke Luiken
Legal Affairs

Claire de Nerée
Brand, Marketing & Communications

Eric Overvoorde
Workplace Solutions

Marie-Cecile Rossen
Human Resource Management

More information about our Corporate Directors can be found on our website.

Shareholders

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

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

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

The Trust Office holds and manages all so-called B-shares (representing at most 24.5% of the entire issued share capital) that allows for the issue of 'depositary receipts' to all employees in the Netherlands, United Kingdom, South Africa, Poland, and Australia that are interested to buy depositary receipts. Through these depositary receipts employees feel more engaged, become more involved and receive a dividend when the company is profitable, alongside the appreciation of yield in share value. At the end of 2023, 2,000 employees held 502,499 depositary receipts (2022: 1,984 employees held 437,727 depositary receipts).

Markets

We operate internationally across our nine Global Leading Markets for which we are globally recognised and hold leading positions. In these markets, we are renowned for our expertise, have a proven strong financial performance and we foresee an attractive growth potential in several geographies.

Our Global Leading Markets:

- Aviation & Intermodal Transport
- Climate Resilience
- Data Centres
- Light Industry
- Maritime
- Renewable Energy & Decarbonisation of Industry
- Sustainable Mobility
- Tunnels & Structures
- Water Technology

The Netherlands is a strong home base where we are market leader in turnover in the Netherlands.

Aviation & Intermodal Transport

Aviation is one of the hardest industries to decarbonise due to the high energy density needed for aircrafts to fly people across continents. There is also a growing demand for air travel and a desire for an effortless door-to-door journey, which present new challenges and opportunities. We have defined world-leading airport design for 75 years - from airport master planning to intermodal transport and digital solutions. Our multi-disciplinary expertise enables us to continue leading the way, pioneering new solutions and delivering the next generation of connected mobility. Read more on our website.

New framework to advance ESG for global aviation

We are leading the creation of a global standardised framework for improved airport environmental, social, and corporate governance (ESG) reporting. The work is being done on behalf of Airports Council International World. This global framework aims to give airports an institutional framework for governance, compliance and stewardship, taking into account legal and regulatory requirements from country to country and region to region. The framework helps airports to face the ongoing challenge of investing in infrastructure to meet future air travel demand, while also ensuring any new developments are designed, constructed, and operated in an economically sustainable, inclusive, socially and environmentally responsible way. Read more on our website.

"ESG has rightly become a key agenda item for organisations around the world. We're proud to have been appointed to lead the development of a framework which will give all airports the guidance they need to implement, review and monitor ESG meaningfully within their operations."

—Esther Kromhout, Director NACO / Business Unit Director Aviation

Climate Resilience

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

Keeping communities safe in Australia's flood-prone Hunter Valley

People can rest safer in their homes following an upgrade to the flash flood warning system in Australia's Hunter Valley. Our team has developed a cloud-based system for the Hunter Valley Flood Mitigation Scheme which integrates expert knowledge with input from the Australian Bureau of Meteorology as well as historic rainfall and water level data. The accuracy of our flood forecasts revolutionises safety and preparedness when river levels rise. Our system helps to improve decision making and increase the safety and resilience of the community by providing timely and reliable warnings. Read more on our website.

"Now, for the first time, we can provide emergency response teams with coordinated rainfall and water level gauge data on one dashboard, correlated to flood defence overtopping locations. What I really like about our system is that it recognises that no two floods are the same. It takes into account the spatial and time-varying distribution of rainfall and additionally, we have programmed in time varying soil moisture conditions."

—Ben Patterson, Leading Professional Flood Resilience, Asia and Pacific Region

Data Centres

Delivering state-of-the-art data centre designs, our focus revolves around fundamental principles of energy efficiency and sustainability. These facilities play a crucial role in supporting the continuity of operations, businesses, and systems. Committed to achieving carbon neutrality, our aim is to ensure that each structure harmonises seamlessly with its environment. Leveraging our market-leading position, we actively contribute to the global digital infrastructure. Read more on our website.

Connectivity and community come together in a scalable solution for European data centres

A data centre we have designed and developed in Poland provides the blueprint for our client's entry into the European market. Our design provides a state-of-the-art data centre, which meets the most demanding requirements. Our scalable solution includes the flexibility to adjust to different locations, while offering speed and efficiency in construction. The first of two 8MW capacity data centres has been completed on the campus in Warsaw. Data centres are playing a pivotal role in providing the digital infrastructure to support Poland's economic development. The data centre is on post-industrial land which had been left to grow wild. We worked with the local community during the project and included replacement planting to compensate for greenery removed. The investor has also landscaped a children's playground in the neighbourhood. Read more on our website.

"I am proud to have been part of the team that designed and oversaw construction of the new Warsaw data centre. It not only meets the growing demand for digital capacity but also has a positive impact on the neighbourhood. Our collaboration with the client and the local community, as well as our efficient construction process, contributed to the success of the project."

—Beata Czerwińska, Data Centre Director HaskoningDHV Poland

Light Industry

Changes in demand patterns are driving major transformations in global manufacturing industries and supply chains. Addressing decarbonisation and sustainable manufacturing are just two of the urgent focus areas. We bring integrated design, consultancy and project management services tailored to client needs. Our sustainable solutions transform manufacturing processes, optimise the supply chain and deliver future-proof investments. Engineering, procurement, and construction management projects (EPCM) around the globe have honed our expertise in fast-tracking, simplification, modularisation and automation. Read more on our website.

Maximising impact at new Lotus Bakeries site in Thailand

Lotus Bakeries' first production site in Thailand is based on a proven European masterplan that we adapted to the local regulations and climate. All floors are raised above ground to avoid flooding. A small lagoon to collect surface water run-off creates an attractive area for employees and doubles as a running track. We provided engineering, procurement and construction management services for the project. The site shortens delivery chains which will reduce emissions connected to transportation. Solar panels, heated water recycling and waste heat recovery all help reduce greenhouse gas emissions. Working together with our process engineers, Lotus Bakeries sourced production equipment locally which supports the development of local skills and industry. Read more on our website.

"We are proud to integrate our experience in manufacturing, digital technology and sustainable business development to bring this future-proof manufacturing plant to life in Thailand. We are developing a sustainable partnership with Lotus Bakeries whose guiding vision of Care for Today – Respect for Tomorrow goes hand-in-hand with our purpose of Enhancing Society Together."

—René Dahmen, Director Business Unit Multinationals

Maritime

The maritime industry is the backbone of global trade, playing a vital role in growing economies, ensuring supply lines, and spreading opportunities and prosperity. As one of the world's leading maritime consultants, it's our goal to enhance societies everywhere by optimising maritime operations. That means futureproofing existing sites with new solutions that protect people and environments. It means helping emerging economies grow and thrive. And it means designing and creating the smart maritime environments of tomorrow, today. In these areas, our innovation, expertise, and dedication to sustainable development continue to set us and our clients apart. Read more about maritime on our website.

Green Port initiative brings broad-based positive impact in Samoa
Samoa, like other small island nations in the South Pacific, is on the front line of climate change. More frequent, severe cyclones and rising sea levels threaten lives, livelihoods and infrastructure. We are working with the Samoan Ports Authority to help the Port of Apia transition to a Green Port. It's an opportunity to build climate and business resilience while implementing sustainable practice and decarbonising operations. The Green Port strategy embraces wide-ranging social, environmental and operational benefits, alongside climate resilience and disaster preparedness. Read more on our website.

"It is great to be supporting the Port of Apia in Samoa that lies in the central South Pacific Ocean, enhancing its sustainability and green credentials."

—Justin Cross, Director Maritime Vietnam

Renewable Energy & Decarbonisation of Industry

Transforming the way we power our world is essential in fighting climate change. Society and industry must transition to an ecosystem powered by both low-carbon, renewable energy sources and optimised energy consumption. Clients encounter difficulties in understanding the ever-changing energy landscape, navigating the speed and risks associated with deploying new energy systems, and achieving industrial decarbonisation while ensuring business continuity. We support through integrated, data-driven programmes seamlessly integrating strategy, engineering and design, project management, and asset management to ensure future-proof success. Our collective goal is to accelerate the world towards a sustainable and net-zero future by 2050. Read more on our website.

Wind farm design boosts biodiversity
We supported the bid team behind the Ecowende wind farm ensuring that nature-inclusive design and a higher ecological standard for construction was delivered. The result sets a new ecological benchmark for windfarm construction. For example, it protects and enhances biodiversity by introducing natural reef structures on the seabed. Innovative construction techniques for the foundations minimise impact on marine life, and space between turbines creates a safe corridor for birds. The project is a joint venture between Shell and Eneco and is set to start operating in 2026. Read more on our website.

"Wouldn't it be great if we could make positive impact on nature and at the same time increase clean renewable energy? We can. This is what we achieved in the design for the 54 turbine EcoWende wind farm off the coast of the Netherlands."

—Hassan Asheg, Director Renewable Energy

Sustainable Mobility

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

Identifying the push factors to increase bus use

How can we encourage more people to use buses? This is an important question, particularly in rural areas with low population densities. We are working with Cornwall Council and Transport for Cornwall in the United Kingdom to understand the motivations and barriers to bus use as well as the impact of lower fares. The insight gained is being used to design and evaluate behavioural change initiatives to help Cornwall Council meet their objectives. Public transport is a more sustainable means of travel than private cars and is essential to help keep communities connected and reduce social isolation. Persuading visitors to leave their cars behind will reduce congestion, pollution and parking issues in the county's towns and villages. Read more on our website.

"We are delighted to have been appointed by Cornwall Council to encourage more people to get on the bus across the county. This is an exciting project with a real potential to use behavioural science to develop targeted and impactful campaigns."

—Jim Bradley, Director of Influencing Behaviour at ITP, a company of Royal HaskoningDHV

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 on our website.

Encouraging innovation and efficiency to keep tunnel network safe

Can innovative and sustainable approaches be found which increase speed and efficiency when renovating the road tunnel network in the Netherlands? That's the intention behind the largest engineering services contract ever awarded by the department for public infrastructure, Rijkswaterstaat. It refers to seven road tunnels in the south of the Netherlands. Our role involves mapping what needs to be done, preparing contracts and supervising renovations.
With many of the tunnels in the Netherlands dating back into the last century, society benefits from innovations to streamline and standardise renovation as well as increased safety. Read more on our website.

"Taking an integrated approach to highway tunnel renovations is a smart way to apply innovative and sustainable techniques at scale. Together with TEC, we set out to renovate seven tunnels for Rijkswaterstaat over nine years. Our combined expertise of civil engineering, mechanical engineering, sustainability, surroundings management and contract management, amongst others, will help ensure that the Netherlands remains accessible for many years to come."

—Niels Willemsen, Associate Director Infrastructure

Water Technology

The world needs water. It is critical for health, prosperity and the functioning of society. Faced with multiple challenges, including increasingly scarce clean water, micropollutants, droughts and heavy rainfall, a new mindset on reuse, efficiency and availability is needed. With our water expertise and smart technologies, we help clients adopt a coherent approach to achieve lasting value and sustainable, positive solutions – for people, for businesses and for society. We solve water management problems at every stage of the water cycle on strategic, tactical, and operational levels. We help our clients protect available resources and use water more sustainably for the future. Read more on our website.

Nereda technology extends sewage treatment capacity to 2.4 million people

Our Nereda water technology is showing the way forward for countries to effectively and efficiently treat the wastewater of growing populations. We are implementing our award-winning wastewater treatment technology Nereda at a huge plant near Dublin where 40% of Ireland's wastewater is treated. Our work extends the capacity of the plant by a third to 2.4 million population equivalent. The programme includes both retrofit and new installations and has been organised so that operations at this vital facility can continue throughout the upgrade. Nereda provides more capacity with a small physical footprint. It is a green and sustainable technology requiring no chemicals and less energy. The quality of the treatment process conforms to EU regulations, reducing the release of harmful nutrients into the environment. Read more on our website.

"We are proud to be upgrading Ireland's biggest wastewater treatment plant in a sustainable manner. We have increased capacity to match Dublin's population growth while meeting nutrient regulations and optimising assets for generations to come."

—Marisa Buyers-Basso, Senior Process Engineer

The Netherlands

Royal HaskoningDHV is headquartered in the Netherlands. Our experience, commitment to innovation, and involvement in key infrastructure projects has led to close relationships with governments, corporate clients and knowledge centres. Next to our business in the Global Leading Markets (GLMs), which also service clients in the Netherlands, we operate in market segments such as buildings (like hospitals, offices) and public transport, especially rail. We are involved in major future developments. This expertise developed here supports our work globally. At the same time best practices in our GLMs reinforce our position in the Netherlands. This strong position and our broad service portfolio enable us to also offer integrated solutions to address complex transformations that we see with two growth themes: 'Netherlands in transition' and 'Energy transition'. These themes tackle large transformations like integrated area development and energy transition by bringing together all required knowledge domains to come to the best solution with commitment from all stakeholders. Read more on our website.

Efficient and future-proof new hospital building for Tergooi MC

We have been working with Tergooi Medical Centre to realise their ambitions for a modern, efficient, future-proof hospital that brings together all areas of care. The integrated design we produced draws on our expertise in hospital buildings and areas such as installation, acoustics and fire safety. It also benefits from a decades-long partnership with our client. The single location brings together various outdated facilities. It offers patients connected care and access to the latest medical technology in a building which has 25% less floorspace than all the former locations combined, while servicing a growing number of patients. The smaller floorspace requires less resources and is more efficient to operate. Structures are designed so they can be easily adapted to future needs. A mixture of elements such as solar panels and thermal storage are providing a very good energy performance. Read more on our website.

"After years in the design process, procurement support and construction supervision support, it's very nice to see this beautiful result. The hospital was officially opened by His Majesty King Willem-Alexander on 26 September 2023."

—Theo Simmerman, Project Leader

Value Chain

We create value for our clients, our employees and organisation, and for society through a combination of expertise, strategic insights and customised solutions. We help our clients by offering consultancy, design & engineering, project management, software and technology solutions for the natural and built environment.

In consultancy projects, we support our clients to find optimal solutions for their business challenges in a holistic way by combining strategy and technical expertise. Growing consultancy is part of our ambition to shift our service mix.

In project management projects, we support clients to run asset-related projects in the most cost-effective and sustainable way.

In design & engineering projects, we support clients with how to build, expand, renovate or decommission their assets in an optimal way.

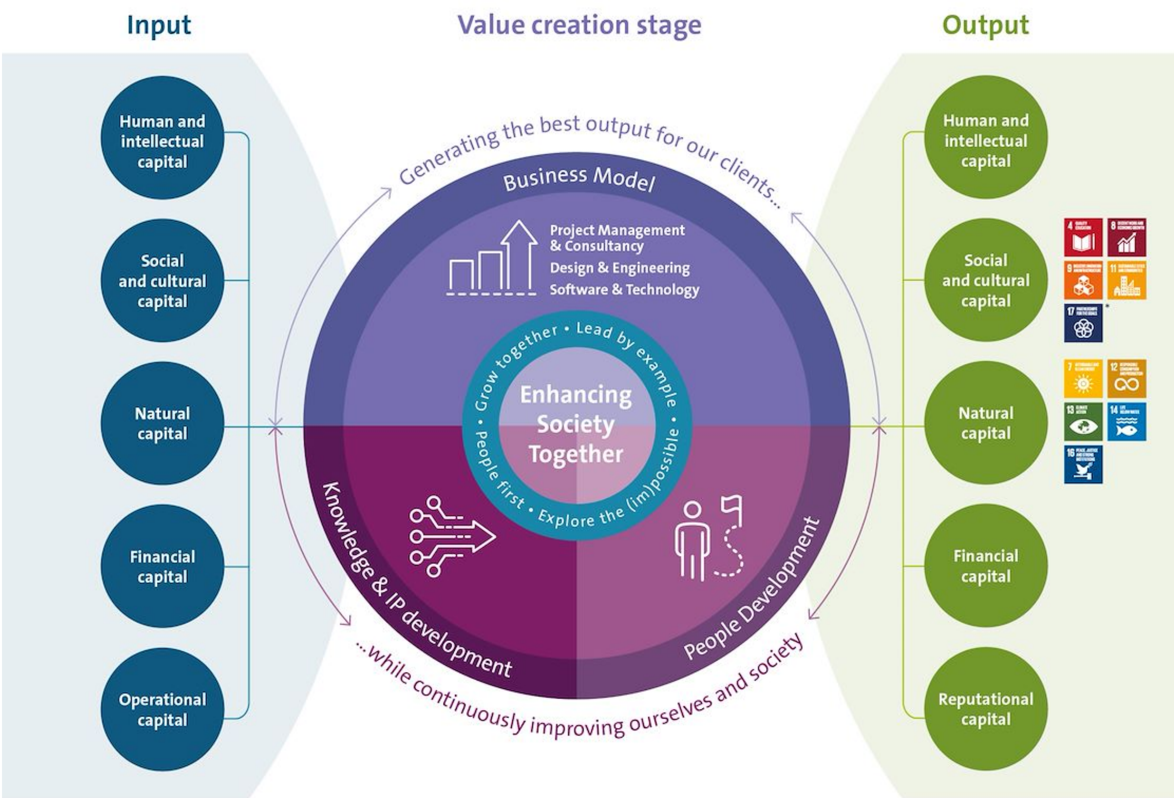
With software solutions, we help clients optimise operation of their assets or assess the potential impact of climate risk and how to mitigate it.

With technology solutions, we help water and wastewater companies set up more efficient and sustainable treatment facilities.

We continuously invest in developing and building the skills, capabilities and knowledge of our people through knowledge groups and sessions, training programmes, coaching and mentoring, and learning on the job.

By embracing digital, we deliver data driven solutions for our clients that are sustainable and create added value.

We continuously challenge ourselves and our clients for more sustainable solutions that will positively impact clients' sustainability footprint and society.



* SDG 17 applies to all inputs and outputs

Input

Human and intellectual capital
We rely on the knowledge, capabilities and skills of our 6,000 colleagues. We build diverse teams which bring a wider range of ideas and experience to deliver superior results. Our digital solutions and technology support our clients and project execution.

Social and cultural capital
We believe the best and widely supported solutions are developed in collaboration with clients, partners and society. We build long-term relationships, understanding the culture and practices of our clients and stakeholders. We also play an active role in branch associations and knowledge institutions.

Natural capital
We are continuously reducing our use of natural resources in our operations.

Financial capital
We are financed on an equity basis. We are partly employee owned: 2,000 employees are depositary receipt holders in our company jointly holding 9.6%.

Operational capital
Where possible, we buy or lease assets that have a low carbon footprint. In the Netherlands, our vehicle fleet has been almost fully electric since 2022. We have committed to all our offices being Paris Proof before 2030 in the Netherlands and globally in 2035. We are on track and we will not renew any lease beyond the deadlines without a plan to become Paris proof within the deadline.

More information can be found in the Key Figures section.

Output

Human and intellectual capital
We helped 4,000 clients on approximately 11,000 projects worldwide. We developed and built our human capital by onboarding almost 1,000 new colleagues and promoting 781 colleagues.

Social and cultural capital
Our projects had a positive impact on Social Value & Equity as well as on Safety & Well-being.

Natural Capital
Our projects had a positive impact on Climate Change, Biodiversity, and Natural Resources & Circularity.

Financial Capital
We grew our revenue and profitability, enabling us to invest in increasing our impact on society as well as offering our shareholding employees a good return.

Reputational Capital
Our employee engagement was 80%, indicating that 80% of all employees feel enthusiastic and dedicated towards their job. For our clients, satisfaction remained unchanged at 8.4 on a scale of 0 to 10. The Cobouw Reputation Monitor research showed that we have the best reputation among engineering companies in the Netherlands.

Stakeholders

Engaging in meaningful dialogue with our stakeholders is crucial for our organisation's continued success. It helps shape our strategy, enhances sustainability initiatives, and ensures transparent communication.

In 2023 we reviewed and updated our stakeholder groups across our value chain as part of our commitment to sustainable and responsible business. We used a systematic approach to identify our stakeholders, recognising the diverse and interconnected nature of our business environment. We held brainstorming sessions with experts from across our organisation in areas including strategy, sustainability, finance, communications, and human resources. The diverse expertise of these internal stakeholders enriched the stakeholder identification process, ensuring a comprehensive view. The resulting list of stakeholders reflects the diversity within our value chain as well as the diverse relationships that define our business landscape.

Our People

Top management provides and assures our strategic direction, leadership, and vision, while our employee community contributes with expert skills, knowledge, and dedication delivering services to clients. It pays specific attention to employee groups. New employees bring fresh perspectives, diverse skills, and new generational insights for us to address. Top management also regularly aligns with YOUNG Royal HaskoningDHV, an internal youth board comprising employees up to the age of 35. For a broader perspective it connects with general representative bodies such as our Works Council and Pension Fund in the Netherlands. The Works Council covers the interests of current employees, and the Pension Fund includes those of former and retired employees too.

Clients

Clients are primary stakeholders as they directly engage with our products and services. Their needs, satisfaction and feedback directly influence business success and are vital in safeguarding and shaping the continuity of our business. Engaging with our clients' management and sustainability teams ensures alignment with their goals and values, fostering stronger partnerships and mutually beneficial outcomes.

Industry associations, advocacy groups and NGOs

These are organisations representing specific industries or causes, advocating for sustainability policies, practices and other causes that align with our company's goals. We collaborate with industry associations and advocacy groups to strengthen our collective efforts towards setting common goals and promoting industry-wide (sustainability) standards. This way, we contribute to the overall growth and development of the industry. Collaboration with NGOs (including our own charity, BRiTE) provides us with diverse perspectives, expertise, and resources for addressing today's complex challenges in knowledge creation, problem-solving, reputation enhancement, early access to trends, promoting responsible innovation, and contributing to societal challenges.

Non-project-related suppliers

These are suppliers providing goods or services related to human resources, corporate services, office space and equipment, information technology, marketing, sales, and finance functions of our company. We promote strong relationships with our suppliers to mitigate risks, gain competitive advantages, support local economies, and jointly make sustainable choices in sourcing.

Partners, competitors, contractors and subcontractors

These are external parties who provide additional resources, skills, or services for specific projects. We engage with contractors and subcontractors on a project-by-project basis to evaluate future business relationships. For strategic partnerships, we establish a common way of working through MoUs and interactions on a Board level, depending on the relationship. Their contribution in project execution, cost management, quality control, supply chain management, and innovation plays a critical role in delivering projects effectively, maintaining a positive reputation, and achieving long-term growth.

Regulatory/compliance bodies

These are entities and organisations that monitor and enforce environmental, social and governance (ESG) standards and regulations, financial and tax authorities as well as regulatory and compliance bodies ensuring adherence to relevant laws and regulations. Their oversight and guidance help us mitigate risks, drive innovation, and build trust. We also have a direct relationship with financial and tax authorities through our Finance department.

Academic and research institutions and experts

Collaboration with research institutions and experts enhances and supports knowledge exchange, innovation, problem-solving, talent acquisition, reputation, and credibility in sustainability efforts. We collaborate with academia on projects, on research related to our Water Technology business and our people combine their role at Royal HaskoningDHV with teaching in academia.

The Environment

Being the natural surroundings and ecological systems that can be affected by our company´s operations and decisions as well as the advice we provide our clients. We emphasise the importance of environmental sustainability in our projects by using the Purpose Matrix. We support governmental institutions in environmental policy development and execution. This involves making choices that ensure an equal, if not better, way of life for future generations. To fulfil our purpose to ethically serve all our stakeholders, it is crucial to extend this inclusivity to the environment and biodiversity.

Society as a whole

That is the broader community and the general public influenced, directly or indirectly, by the activities, decisions, and impacts of our company. It encompasses diverse demographic, cultural, and economic stakeholders. The interests of society as a whole include considerations for ethical business practices, corporate social responsibility, and the overall societal impact of our operations. Society is at the core of our business purpose. It is about understanding our company's impacts on society; and actively seeking to mitigate the negative impacts while enhancing the positive ones. The UN Sustainable Development Goals (SDGs), made specific for our business in the Purpose Matrix, are our guiding framework.

An overview of our global memberships and partnerships can be found on our website.

We will continue to refine and adapt our stakeholder engagement strategy, ensuring that our interactions contribute positively to the well-being of our company, our stakeholders' expectations, and the communities we serve. Through this ongoing process, we aim to strengthen our position as a responsible corporate citizen, fostering sustainable growth and creating lasting value across our entire value chain

Executive Board Report

Strategy

We monitor external trends and developments, adjusting our focus and activities in response. Climate change was clearly seen in increasing incidence of extreme weather and wildfires in 2023. Demand for services in the areas of climate resilience and decarbonisation is accelerating. There is more awareness of the important role biodiversity plays in resilience. It brings with it an increased sense of urgency over the biodiversity challenge. While political positions on climate change have shifted in some countries, they are balanced by commitments made to international treaties. The economic outlook, which appeared to be stabilising, faces risks from geopolitical developments such as the wars in Ukraine and Gaza. Labour scarcity constrains growth and creates upward wage pressures in some markets. High inflation places additional pressures on the cost of doing business. Digital possibilities continue to present opportunities and threats. These, in combination with customer demands for more integrated services, drive further consolidation and changes in the competitor landscape. In the Netherlands, nitrogen legislation remains a challenge for construction. It delays investments while also offering opportunities for additional services.

We made good progress on executing our Stronger25 strategy in 2023. The hard work and dedication of our people have delivered strong growth and profitability in line with our ambitions. For 2023, we focused on four key strategic goals: people first, embed Enhancing Society Together, grow in selected markets and grow the EBITA margin. On people first, we achieved a high degree of employee engagement: 80% of all employees feel enthusiastic and dedicated towards their job. We made our Enhancing Society Together purpose more tangible by starting to assess projects and proposals using our Purpose Matrix. Company-wide, we achieved positive impact across all 5 Enhancing Society Together themes. Our strategic focus on growth in our nine Global Leading Markets and the Netherlands led to an increase in operating income of 5%. To grow the EBITA margin, we maintained cost levels while growing our operating income.

Our strategy Stronger25

Living our values: People first

At our company, people make the difference and determine our success. It is critical to maintain an inclusive culture and a safe and inclusive environment for everyone, based on an Equality, Diversity, and Inclusion policy that we developed.
In 2023, we continued our initiatives to empower employees to have meaningful careers by offering learnings and developing career paths and by starting to create more transparency around internal mobility. We emphasised the critical role of our leaders in our people business by launching a global leadership development programme, focused on our Stronger25 strategy, embracing digital and enabling our leaders to strengthen their leadership skills and growth mindset.
Our yearly Employee Engagement survey showed a high degree of employee engagement with 80% of all employees feeling enthusiastic and dedicated towards their job. At the same time, the survey supplied additional insights for further work going forward.
All of this helps us in attracting and retaining talent required for sustainable growth.

Read more in the Employability section.

Enhancing Society Together

Our purpose Enhancing Society Together drives us in implementing positive change in society across 5 themes where we as a company feel we can make the biggest positive impact: climate change, biodiversity, resources, social value and safety. These align with selected United Nations Sustainable Development Goals. By leading on practice and delivery, we aim to make a concrete difference for people and planet. We are making our impact visible by using our Purpose Matrix to measure a project on our 5 themes. We are also leading by example to achieve positive impact in our operations in line with challenging targets, such as our Net Zero ambition.

In 2023, we embedded understanding of how Enhancing Society Together applies in our daily practice. Communication at every level and location created the common purpose needed to maximise impact. To support our people in practice, our Enhancing Society Together Academy went live. Enhancing Society Together leads were installed in every business line and five theme leads appointed. Our Enhancing Society Together Award attracted more than 30 projects from every part of our company. The global winner, announced in January 2024, was the North Manila Bay Project Team from the Philippines. The jury commended the team for working on wonderful nature-based solutions for flood mitigation that also include biodiversity enhancement and ensure safer and more sustainable communities.

Our purpose is strongly felt by our people. This can lead to internal discussion on individual projects and market areas. In 2023, we developed position papers to address dilemmas about markets and locations where we choose to work. These papers identify where we stand on controversial topics and help steer our company to make the right decisions. They were written with input from representatives across the company and approved by the Executive Board.

Read more in the Sustainability section.

Our Purpose Matrix

Grow in leading markets

Our strategy defines nine Global Leading Markets for international growth next to our strong position in the Netherlands. These Global Leading Markets create focus in our international activities and registered steep growth in 2023. Our Global Leading Market Renewable Energy & Decarbonisation of Industry grew by more than 50%. We saw a significant increase in demand for services within our Global Leading Market Climate Resilience. Our Aviation & Intermodal Transport business benefited from the significant rebound in passenger numbers following Covid. Our Global Leading Market Light Industry met growth targets despite tough economic conditions in consumer markets.
We discuss our ambitions and progress for each Global leading Market three times a year in so-called GLM dialogues focusing on revenue growth, sales and sales outlook, profitability, digital transformation progress, contribution of projects to Enhancing Society Together and what we could do more or better.

Next to our business in the Global Leading Markets, which also service clients in the Netherlands, we operate in additional Dutch market segments such as buildings (hospitals, offices, campus development) and public transport companies, especially rail.
We focused on the two growth themes of 'Energy Transition' and 'Netherlands in Transition'. These align with the integrated challenges facing our customers.

Read more in the Markets section.

Shifting our service mix

Our clients increasingly expect us to integrally support them along their journey to be or become future ready. We do this by taking a multi-disciplinary approach to their complex challenges. This involves considering the entire asset life cycle and combines digital and physical worlds.

Ensuring we have the skills and competencies to meet the needs of the market is at the heart of our ambition to shift our service mix. In 2023, we continued to grow consultancy services alongside engineering and design which are at the heart of our company. Past acquisitions of ITP, Novius and Districon are proving increasingly valuable in this respect. Looking forward, we expect the growth in consultancy services to continue. We also want to grow and further digitise our design and engineering services. And we are expanding our services to cover both the project and exploitation phases of assets (capital expenditure and operations).

It is our ambition to fully integrate digital in all our services and grow our digital services (commercial software, data services and consultancy) to 10-15% of our total revenue. New developments such as generative Artificial Intelligence fuel possibilities for the way in which we do our business and deliver our services. They offer opportunities for new types of services and automated models for our clients. Our digital consultancy (which includes Novius) is especially active in advising our clients on digital transformations and delivering bespoke digital solutions such as data science and geographic information systems. We have seen increased demand in the field of digital twins where our domain and digital knowledge come together. In 2023, we revised and restructured our software services to bring them further in line with our Global Leading Markets.

To harness these opportunities, the digital maturity of our people is continually developed. Digital Leads were appointed within each Global Leading Market in 2023 to apply digital capabilities and data driven ways of working in our projects responding to clients' demands. They identify tools and software to automate parts of our work. Similar work takes place in our corporate groups - including marketing and strategy. We set up a Software Intake Team to professionalise and support software development and an Enterprise Architecture Board to ensure consistent futureproof development of our data systems and processes. We have active knowledge groups on digital topics like generative AI, automation of consultancy, automation of design & engineering, information management and computational design.

Achieving our ambitions

We have made positive progress in reaching our Stronger25 targets. We are on track to meet our financial ambitions and raised our operating income ambition to €750 million by 2025.

In 2023, we made good progress on reducing costs as percentage of our operating income. We focused on simplifying our business processes without impacting our control over the quality and reliability of our work. Substantial savings resulted from rationalising our corporate group activities.

We continued to integrate previous acquisitions such as our supply chain consultancy Districon into our business. We also strengthened our portfolio of businesses as we took a minority share in Hungary-based architecture and engineering company Studio IN-EX. This enabled us to extend our frontrunner position in the development of data centres and other mission critical facilities.

In 2023, our Canada and US-based consultancy firm InterVISTAS became an employee-owned company following a buyout from Royal HaskoningDHV on March 1, 2023. Collaboration between our organisations will continue on strategic projects.

Early 2024, our South African entity formally became a local company, majority owned by management and employees. Local ownership strengthens the black ownership recognition rating and creates the flexibility to focus on local profitable market segments that are off strategy for Royal HaskoningDHV. We will continue to collaborate, especially on the global leading markets.

Early 2024, we sold our stake in Singapore-based Hydroinformatics Institute (H2i) to Pluvia, giving the weather-tech startup full ownership of H2i's climate-tech product business. We will continue to work together as trusted partners.

Financial Performance

We achieved a very strong set of financial results in 2023. Operational income grew in line with our strategic goals. It was driven by our Global Leading Markets and the Netherlands, some delivering double-digit growth. Profitability improved considerably and our operational result (EBITA recurring) jumped to €51.6 million (2022: €29.8 million). As an employee-owned company, our people will share in the success through a record shareholders return.

Market conditions were variable, particularly due to geopolitical and economic uncertainty. Inflation remained high and impacts of climate change accelerated. Our exceptional performance in such an environment confirms the strength of our strategy and that the right choices were made to focus our business on nine Global Leading Markets and the Netherlands.

The outlook for our organisation in 2024 is positive. Our financial position is solid. We have a strong order book. Our team of dedicated and talented colleagues are united in a common purpose to Enhance Society Together.

Operating income and growth

Operating income increased by 5% to €736 million in 2023 (2022: €699 million), organic growth was 7% (2022: 10%). Four of our five business lines contributed to operating income growth. Our business line Southern Africa continued to face difficult market conditions and our business line Digital continued to work on improving their performance.

Added value growth was 8% (2022: 12%) with organic added value growth being 10% (2022: 9%) yielding an added value of €606 million. Over the course of 2023 we can report strong sales which translated into utilisation rates in line with expectations.

Profitability

We achieved a strong increase in profitability. EBITA recurring ended the year at €51.6 million, significantly above €29.8 million in 2022. Inflation remained high through the year – although lower than peak levels reached during 2022. Across the organisation, a focus on simplifying business processes and containing costs kept internal expenditure at reasonable levels.

We changed the way to calculate operating margin to align with industry norms (EBITA recurring / Added value) (also see Key Figures). Operating margin based on added value is 8.5% (2022: 5.3%). Our net result almost doubled to €24.8 million (2022: €13.7 million).

Global opportunities

As an organisation, we continually increase productivity and innovation by adopting new digital ways of working. In 2023, we further explored the role Artificial Intelligence can play in innovation and efficiency. This is important for the way we carry out our business as well as the products and services we offer. Software and technology are also in demand from our clients, often as an integral part of more traditional engineering, design and consultancy projects. Our digital and software business strengthens our propositions in digital consulting and acts as the playmaker in large complex projects. In comparison to our engineering, design and consultancy business, the financial contribution made by our Business Line Digital is fairly small. The digital consultancy it offers alongside expertise in software development are of strategic importance in spearheading our digital innovation and futureproofing our business. In 2023, we repositioned our Business Unit Software to align it more closely with our Global Leading Markets.

Cash position

Our financial position is healthy, with an equity ratio of 48% (2022: 46%) and a cash position of €181 million at the end of the year (2022: €147 million). We operate well within our bank covenants. The outlook for 2024 is positive with a sound order book of €333 million (2022: €346 million) – the drop being caused by the fact that the South African operation became a local company, majority owned by management and employees – and many new projects in prospect.

Our free cash flow in 2023 was €33.8 million (2022: €28.4 million negative). During the year, we invested €12 million in renovations and refurbishment to create what will be an inspirational Paris-proof office within a beautiful historic building in Delft. Investment will continue through 2024 and the new office is expected to open towards the end of the year. Our days sales outstanding (DSO) remained the same at 73 days (2022: 73).

Business Ethics

Our purpose to Enhance Society Together guides what we do and how we do it. We are committed to do our business responsibly, acting ethically and with transparency. We respect the local laws, cultural norms and practices of our working environments while adhering to our own ethical standards. The independence that comes from being a partly employee-owned and independent company is reflected in our work. Decent behaviour and integrity are integral to our culture, rooted in our vision, mission and core values. They are communicated through our Code of Conduct (PDF) which, together with our Compliance Integrity Management System (CIMS) and Compliance Programme, defines and assures ethical conduct.

Governance

Our Corporate Governance structure safeguards the principles of Royal HaskoningDHV operating as an independent private limited company. It creates a sustainable platform to deliver value to our people, our clients and society at large.

The Executive Board has ultimate responsibility for implementing and applying our Code of Conduct, together with our Compliance Integrity Management System (CIMS) and Compliance Programme. The Compliance Department, management teams of the business lines, corporate groups and operating entities are responsible for ensuring all employees are familiar with and adhere to the CIMS. Directors and controllers sign an annual letter of representation acknowledging their responsibility for the Code of Conduct for their business line, corporate group or operating entity.

The Compliance Department consists of the Group Compliance Officer and Local Compliance Officers, appointed in each country where we have local operations. The Group Compliance Officer reports monthly on developments, challenges, and integrity cases to the Executive Board. The Supervisory Board is informed quarterly about developments in the compliance programme and high-risk integrity cases. Once a year, the Group Compliance Officer is invited to a Supervisory Board meeting to discuss the Compliance Programme. The Group Compliance Officer has a reporting line to both the CEO and the Chair of the Supervisory Board if there are reasons to escalate concerns.

Royal HaskoningDHV has a Risk Assessment Board. It evaluates (potential) projects with a high-risk profile. It ensures all aspects of the potential project have been reviewed, experts from corporate groups have been consulted, and specific elements have been identified, evaluated, mitigated, or considered acceptable.

The Internal Audit function provides additional assurance. Its priorities are defined in an annual audit plan approved by the Audit Committee. These could include integrity or compliance-related risks.

Core values

Our ethical standards are brought to life through our people. It is important that everyone is clear about acceptable behaviour in the workplace and in business activities, particularly where we are operating in countries with poor records on human rights or corruption.

People first

We are a people company, independent and partly employee-owned. We care about our colleagues, clients and society. We cherish the freedom to make long-term choices striving to find solutions to improve the lives of people all around the globe. We foster a culture of respect, safety and inclusion, where we actively listen, discuss and embrace new perspectives, because we believe this is the basis for a successful and sustainable company.

Explore the (im)possible

We go the extra mile to solve our clients' most pressing challenges and enhance society. We act today while thinking about tomorrow. We challenge the status quo and embrace change. We zoom out and address the question behind the question to truly understand what problem needs to be solved. We combine data and digital technologies with our deep domain knowledge. We experiment and learn from past experiences to find the best solutions.

Grow together

Our clients' success is our success. We invest in building trusted partnerships. We team up to unite talent and expertise across our company and beyond. We take charge of our personal and professional growth and motivate others to do the same.

Lead by example

We act with integrity and in compliance with our Code of Conduct. We take responsibility for our own behaviour, provide feedback and hold each other accountable. We seek clarity on what is expected of us and prioritise wisely in order to add the best value for our clients and our company.

With values increasingly being tested in this fast-changing world, we released our new Code of Conduct (PDF) in 2023 which replaces the previous Global Code of Business Principles.

The Code of Conduct helps us to better navigate these challenges. It sets a high standard with 12 ethical principles on how we must behave to do our business responsibly and 4 values on how we aspire to behave.

12 Ethical Principles

1. We behave appropriately and treat each other with respect
2. We promote equality, diversity, and inclusion
3. We speak up and do not retaliate
4. We do not accept any form of corruption such as bribery, fraud or money laundering
5. We never influence a result by offering or accepting gifts, hospitality or other benefits
6. We compete fairly and within the law
7. We respect human rights and local labour and employment legislation
8. We are committed to quality, health, safety and the environment
9. We avoid conflicts of interest
10. We follow privacy legislation
11. We are committed to the highest standard of information security relevant for our industry
12. We respect and protect intellectual property and confidential information

Compliance Integrity Management System

We believe that integrity is built on a common set of expectations and by having an open and honest culture. Our integrity policy is embedded throughout the company. Our Compliance Integrity Management System, which is part of our Integrated Management System, has been audited and certified since 2010.

Training and raising awareness are an essential part of the compliance programme. Guidance documents, knowledge shares, integrity moments, training sessions and e-learning modules all ensure awareness and knowledge of compliance related matters. All our new joiners as part of their onboarding process complete the mandatory e-learning on the Code of Conduct. An annual integrity and compliance risk assessment forms part of the prevent-detect-and-remediate cycle. The review is enriched with contributions from our local compliance officers.

We have a zero-tolerance policy for bribery and corruption and aim to meet international best practice standards in anti-corruption compliance and business ethics. In October 2023, we were assessed and re-certified as meeting the ISO 37001 standard for our Anti Bribery Management System as well as meeting the ISO 37301 standard for our Compliance Integrity Management System (both held since 2020).

Our Code of Conduct is embedded in our standard contract templates and as such we share our ethical principles on integrity and compliance with our clients, suppliers and subcontractors and ask for their commitment as well. Since 2020, new clients undergo a third-party assessment (TPA) and suppliers are reviewed based on a risk assessment. This further improves control over our value chain. Group Compliance executes the TPAs focusing on compliance and integrity using systems from an analytics company. The assessment includes a review of ultimate beneficial owners, directors, sanctions and any negative media exposure. Based on the outcome of a TPA, specific procedures may apply including determining mitigating measures or ultimate approval from the Corporate Risk Assessment Board.

Further information on our Integrity and Ethical Performance in 2023 is available in the Integrity and Ethical Performance section.

UN Global Compact and Human Rights

We joined the United Nations Global Compact (UNGC) more than a decade ago, supporting the Ten Principles on human rights, labour, environment, and anti-corruption. The UNGC asks companies to embrace, support and enact, within their sphere of influence, a set of core values in these areas. The Ten Principles are an integral part of our daily operations, incorporated into the Code of Conduct (PDF) for our people, clients, partners and suppliers. We show our commitment to the UNGC principles in tenders, offers and project selection processes and by communicating our progress in implementing the principles. These reports are available through our company page on the UNGC website.

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

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

Our aim is to be transparent and accountable, resolving conflicting issues through dialogue and working towards an acceptable solution. We maintain a multi-lingual third-party speak up line (whistle-blower) when greater confidentiality or anonymity is desired by the complainant. This is available internally through our intranet and externally on our website.

Upholding human rights is intrinsic to our purpose, which includes the theme of social value and equality. To affirm our commitment to respect human rights in the way we work and in our business relationships, we published a Human Rights Policy in 2023. This first version, which will be regularly reviewed, is available on our website.

Risk Management

Our purpose Enhancing Society Together is a cornerstone of our risk management to ensure we achieve lasting positive impact through our activities. Our company strategy Stronger25 also informs our approach. It defines where we play and how we win, while staying independent and financially healthy.

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

Corporate and Operational Risks

Corporate risks

We continually review what is happening in the world around us and take appropriate mitigating measures for risks impacting us. For example, as demand for talent intensified in 2023, our organisation fine-tuned policies and practices to meet our strategic ambition of being employer of choice. Also in 2023, the wars in Ukraine and Gaza, as well as natural disasters such as floods and wildfires elsewhere, required us to assess the need for operational adaptation. This included consideration of the mental health and safety of our people and of potential impact on our value chain. Any country going through political uncertainty is assessed regularly to evaluate related risks and consequences for our policies. Disruptive technologies and other trends will have a significant impact on our knowledge-intensive business. We are monitoring these developments and are actively engaging with partners on innovation and digitisation.

Policies remain in place to manage any major crisis, including well-trained and experienced Corporate Crisis Management Teams. Country Incident Management Teams are well established where we operate. These teams advise the Executive Board and Management Teams at various levels about risks and measures to be taken.

The Corporate Risk Register was discussed in the Supervisory Board meeting of November 2023.

Every year, management identifies the most important corporate risks which are then scored on probability and impact on EBITA (for the coming three years). Both endogenous and exogenous risks are considered. For 2023, the areas where risks were defined and assessed relate to:

Key corporate risks	Key Controls
Integrity (Fraud)	*Risk rating: Low (unlikely probability, moderate impact)*
The risk of corruption (like bribery and fraud) and/or criminal offence leading to reputational damage.	To ensure we avoid integrity breaches, we operate in ways that meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption – supporting the Ten Principles of the UN Global Compact. These are incorporated in our Code of Conduct and Compliance and Integrity Management System. Based on a risk assessment, selected clients and partners undergo a Third-Party Assessment executed by our Finance and Compliance departments.

Key corporate risks	Key Controls
Organisation, Strategy and Culture	*Risk rating: Medium (moderate probability, moderate impact)*
An inability to successfully execute our strategy (Stronger25) may lead to a failure to achieve our purpose to Enhance Society Together. We may not realise (strategic) objectives of investments, or culture ambitions. This will impact our reputation and lead to unhappy clients, employees and others with whom we work closely. The wider consequence will ultimately be an unhappy society.	Our strategic objectives are overseen via our Stronger25 Office with clearly defined ambitions and plans for our Global Leading Markets. Progress is monitored via KPIs and dashboards, such as the Enhancing Society Together Purpose Matrix. Our values define and drive the culture and behaviour within Royal HaskoningDHV.

Key corporate risks	Key Controls
Markets, clients and organisation	*Risk rating: High (moderate probability, major impact)*
There is a risk of lost revenue as a result of economic downturn or decline in demand in markets or segments, and not being able to secure sufficient work. This could happen due to a lack of commercial focus or if our clients (government and private) decide to cancel or postpone projects and investments which directly impact our order portfolio.	Market risk is a fact of doing business. We are aware of the risk, and constantly monitor our position in markets and segments aligned with our global leading markets as well as our abilities and utilisation of resources. We also ensure outstanding relations with clients and other stakeholders. Further controls are offered by: Global geographical spread of business Differentiation in various business segments Ability to realign the organisation quickly when revenues decrease Strong client relationship management in place| Ability to financially absorb temporary drops in revenues.

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

Key corporate risks	Key controls
Employees	*Risk Rating: High (moderate probability, major impact)*
As a company we might be unable to hire sufficient and qualified people in the market. This is heightened by increased demand worldwide for technically and digitally skilled people and the increased challenges to retaining knowledge.	We continuously work on our attractiveness as an employer through our Employer Value Proposition. We build on a strong reputation as an employer of choice. We ensure we maintain close relationships with relevant universities. We offer competitive and modern labour conditions. We provide opportunities for our people to grow through various learning academies and building our knowledge network.

Key corporate risks	Key Controls
Project management	*Risk rating: Medium (moderate probability, moderate impact)*
An inability to deliver world-class products and services to clients in an ever-changing world. Not having the right set of project management tools to control and manage project delivery. Resulting in substandard products and service, executing projects inefficiently and/or ineffectively.	Upholding the principle of people, process, technology by implementing an integrated management system that is ISO 9001, 14001 and 45001 certified. Resourcing projects with appropriately qualified project managers via our tier structure. Continuous training of project managers to manage multi-disciplinary teams. Providing the right tooling for the job. Regular assessment of project delivery and management.

Key corporate risks	Key controls
International Laws and Regulations	*Risk Rating: Low (unlikely probability, moderate Impact)*
The risk is not being compliant with the letter and spirit of international and local laws, increase in claim appetite in the private and public sector.	Our worldwide professional legal team has in-depth knowledge of local and international legislation. Providing legal advice during proposals to protect us from entering into unbalanced contracts. Code of Conduct, together with our Compliance Integrity Management System (CIMS) and Compliance Programme. Our values are key to our existence as a company and are communicated through our Code of Conduct.

Key corporate risks	Key controls
Finance and Control	*Risk Rating: Low (unlikely probability, moderate Impact)*
The risk is that insufficient funds are available (cash and credit facilities) and that profitability is too low.	Clear policies and procedures are in place: Treasury, credit control, debt collection, pricing, target setting and monitoring. Insight into profitability on project level and organisation unit level, with information about budgets, forecast and realisation. Adequate bank facilities in place. Centralised expertise over all financing activities, approving all such facilities. Maintaining relationship with banks in case additional funding is required.

Operational Risks

Project Health Check

Failure in our industry is typically related to weaknesses in project management. To reduce this, two robust project management tools and training are in place. One tool supports Proposal Managers in assessing risk and processing tenders. The other is the Project Health Check which supports Project Managers and Directors in monthly project reviews. These tools have effectively reduced project losses. We continue efforts to strengthen project management and our commercial way of working.

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

Project acquisition

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

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

Project execution

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

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

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

Project payment

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

Key risks	Key controls
Invoices are not submitted timely.	Hours and expenses are recorded at the project level where the Project Manager is responsible for review and monitoring. The Project Manager is responsible for issuing an invoice which is routed through an automatic workflow. Finance monitors timely billing.
Invoices are 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. Finance provides support on the most effective collection strategy. Any provisions for bad debts are recorded on the project and have a negative impact on the project result.

Other financial risks

Liabilities

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

Liquidity

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

Currency

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

Guarantees

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

Pensions

In principle, Royal HaskoningDHV operates pension plans under defined contribution pension schemes. However, at HaskoningDHV UK Limited there is a closed defined benefit scheme. This scheme was closed for new entries and future accruals in 2005. The closed defined benefit members became deferred members. The Group does not and will not provide any guarantees to the United Kingdom defined benefit pension scheme. The responsibility lies with the Royal HaskoningDHV entity in the United Kingdom. The defined benefit scheme deficit under Dutch GAAP (Generally Accepted Accounting Principles) on December 31, 2023 is €8.7 million (2022: €8.2 million) with an associated deferred tax asset of €2.2 million (2022: €2.1 million).

For more information about internal risk management and control systems, please see the Corporate and Operational Risks section.

Sustainability

How are we Enhancing Society Together?

The scale of the sustainability challenges facing society is huge and our aim is always to do more. We make progress on our ambition in projects and operations through the values, knowledge and skills of our people, working together and in partnership with our clients.

During 2023 we continued to embed our 5 themes of Enhancing Society Together – climate change, biodiversity, resources, social value and safety – into our organisational governance, systems and communications. The themes were discussed in management team meetings, client meetings, proposals and corporate communications, increasing awareness inside and outside our organisation. We measured our impact on people and planet from over 1,000 projects across our portfolio and captured that in a dashboard. This means we can compare performance over time, and it shows that in 2023 we strengthened the alignment between our projects and our purpose. Enthusiasm and interest from our people and our clients created a positive feedback loop, and we intend to further improve performance, and to increase the number of projects that are assessed. Within our operations we are ahead of targets on emission reductions.

Aligned with our 5 themes there are 13 selected UN Sustainability Goals that inherently benefitted from our 2023 progress. Examples of these projects can be found in the Markets section.

The 2023 environmental and social information presented in this chapter is not audited except for the 2023 CO_2 emissions that have been verified according to ISO 14064-1 by DNV. In 2024 we received their 'Verification Statement Carbon Footprint 2023'.

This chart shows the areas where we believe we can make the biggest difference in delivering benefits for people and planet. We assess our impact as follows: -1 for negative, 0 for neutral, +1 for positive and +2 for very positive. In 2023, we further aligned our projects with our purpose. We measured growth in our performance from 2.97 end-April to 3.19 end-December (2023 target: 3.2). Going forward we aim to grow the pentagon further into the green.

Sustainability theme	Connected UN Sustainable Development Goal
Climate change	7 – Affordable and clean energy
	13 – Climate action
Biodiversity & Natural systems	14 – Life below water
	15 – Life on land
Resources & Circularity	6 – Clean water and sanitation
	12 – Responsible consumption and production
Social value & Equality	4 – Quality education
	5 – Gender equality
	8 – Decent work and economic growth
	9 – Industry, innovation and infrastructure
	11 – Sustainable cities and communities
Safety & Well-being	3 – Good health and well-being
All	17 – Partnerships for the goals

Governance

Sustainability is fully integrated into our activities, led by senior management from strategy to delivery. Its position as our purpose, Enhancing Society Together, and within our strategy ensures strong support at executive level. Our Purpose Matrix is incorporated within our project delivery, project governance and proposal stage governance systems. It is being used in conversations with clients to promote and encourage further impact and is pushing forward boundaries for change. Our systems and analytics continue to evolve based on feedback and experience. For example, sessions were run in our Global Learning Weeks to identify differences in impact within business lines and explore specific market challenges. Together with feedback from teams and clients, these activities enable us to focus on support and increase impact in the future.

Sustainability in our operations

Sustainable procurement

Sustainability is integrated into our procurement ethos. Everyone is responsible for ensuring we purchase in a uniform and sustainable way. This extends to the life cycle use of products and services and is guided by our global sustainable procurement policy. We challenge our suppliers to deliver sustainable products and services while also demonstrating the sustainability of their own organisation. Procurement decisions for large contracts are based on information from suppliers in respect of all 5 themes of Enhancing Society Together.

Greener offices

We are reducing emissions from our buildings in line with our commitment for our global office network to be Paris Proof by 2035. We received Paris Proof certification for our office in Groningen in the Netherlands following an external validation process. It is one of the first buildings in the Netherlands to receive such a certificate and demonstrates our ambition to lead in this area.

We seek to optimise space and location of all our offices when leases are under review. In the Netherlands, we reduced space in Rotterdam by 20% and are discussing Paris Proof status with landlords in Nijmegen and Eindhoven. Our landlord at Goes will conduct a feasibility study for the office to become Paris Proof. In the United Kingdom, three offices in Birmingham were consolidated into one and we moved out of a highly energy inefficient building in London into a more sustainable office in London. In India, we relocated to a new building in Mumbai. It is twice the size of the existing office but has similar energy usage. In Jakarta, Indonesia, we also moved to a new office that meets the highest sustainability standards in Asia.

Optimisation of electrical installations and Heating, Ventilation and Air Conditioning (HVAC) systems is ongoing. We are also increasing the use of renewable energy, stepping away from natural gas and electrifying our offices. Our Liverpool and Edinburgh offices in the United Kingdom have been added to the list of our offices that are free from natural gas. In the Netherlands we are discussing a transfer to district heating in our Amersfoort office. Our Delft office will be Paris Proof when it opens in 2024. All building services in Delft will be demand driven in support of our goal to realise a saving of 80% compared to previous usage.

Mobility

Our car fleet in the Netherlands is almost 100% electric. The electricity for charging these cars at the office, at home and elsewhere, is 100% from renewable sources certified with Guarantees of Origin, as per our contract with Eneco. These guarantees are established in accordance with the European Directive on the Promotion of the Use of Energy from Renewable Sources. We have adjusted the tax-free commuting allowance provided to our people in the Netherlands based on the transport method they use. The allowance is highest for those who walk or cycle to work. A sliding scale is operated for other methods depending on emissions levels.
In September 2023, we replaced the UK company car scheme with an Electric Vehicle (EV) scheme. Through the process of replacing company vehicles as the leases expire, we will have 100% EV lease cars in the UK by the end of 2029, with an average reduction in emissions of 17% per year.

Reporting on our material topics

Although we continue reporting on the seven material themes that we included in previous reports, in early preparation for the CSRD Regulations we have reviewed these through a double materiality analysis. We expect to have the updated list of our material topics in 2024.

For the 2023 annual report, the material topics we report on are (in alphabetical order):

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

Materiality matrix

Our sustainability key figures can be found in the Key Figures section

Emission Reduction

On our way to net-zero

Through our mission Enhancing Society Together, we take responsibility for having a positive impact on the world. There is no time to waste to take the necessary actions to reduce climate change. That is why we are committed to occupy a leadership role in our transition to net-zero pursuing ambitious science-based reduction targets that have been approved by the Science Based Targets initiative (SBTi) in 2022:

- Reduce scope 1 and 2 greenhouse gas emissions from mainly offices by 95% by 2030 and 100% by 2050 from a 2019 base year.
- Reduce scope 3 greenhouse gas emissions mainly related to business travel by 67% by 2030 from a 2019 base year.

In 2023, we stayed ahead of our yearly progress to meet these targets. We realised a reduction in Scope 1 emissions following office improvements in the Netherlands and the United Kingdom, and lower use of fossil lease and rental cars. Scope 2 emissions increased because of higher electricity use in our South African offices that had remained partially closed in 2022 due to Covid. Scope 3 emissions increased because we flew more and did more business trips by car compared to 2022 when parts of the world were still in lockdown.

To track progress on our science-based targets, we follow the GHG protocol and international standard ISO 14064. In 2023, DNV verified our 2022 carbon footprint according to this ISO standard and in 2024 they verified our 2023 carbon footprint.

We are aiming for full CSRD compliance in 2024 which will include transparent insight into our sustainability performance.

The 2022 figures have been updated following the ISO 14064 verification audit that took place after publication of the 2022 annual report. Additionally, the 2022 figures have been restated to use the same definition of the number of employees in both the financial and sustainable reporting.

Carbon footprint, according to the GHG protocol and ISO14064

		baseline			*restated*	
CO_2 (Ton CO_2-eq)	Scope	2019*	2021	2022	2022	2023
Scope 1 emissions GHG protocol	1	4,309	1,229 -71%	1,286 -70%	1,244 -71%	895 -79%
Scope 2 emissions GHG protocol	2	1,121	688 -39%	792 -29%	767 -32%	856 -24%
Scope 3 emissions GHG protocol	3	22,929	5,708 -75%	11,157 -51%	10,898 -52%	13,596 -41%
Total	1 2 3	**28,359**	**7,625**	**13,235**	**12,909**	**15,347**

**Together with the Science Based Targets initiative, we set 2019 as the baseline for our science-based reduction targets because it was the most recent and representative year before Covid.*

Scope 1: Direct greenhouse gas emissions that occur from sources that are owned or controlled.
Scope 2: Indirect greenhouse gas emissions that occur from generation of purchased electricity and heat.
Scope 3: Indirect greenhouse gas emissions that occur in upstream and downstream activities.

Carbon footprint by buildings and travel

	Scope	2019 (baseline)	2021	2022	2022 (restated)	2023
Our workforce/ employees*		5,295	5,428	5,726	5,551	5,675
Totals CO_2 footprint						
Total	1 2	5,430	1,917	2,078	2,011	1,754
per employee		*1.03*	*0.35*	*0.36*	*0.36*	*0.31*
Total	1 2 3	28,359	7,623	13,235	12,909	15,349
per employee		*5.36*	*1.40*	*2.31*	*2.33*	*2.70*
			-74%	**-57%**	**-57%**	**-49%**
Office buildings						
Total	1 2	1,616	1,094	1,156	1,118	1,194
per employee		*0.31*	*0.20*	*0.20*	*0.20*	*0.21*
Total	1 2 3	3,280	1,915	2,198	2,208	2,361
per employee		*0.62*	*0.35*	*0.38*	*0.40*	*0.42*
			-43%	**-38%**	**-36%**	**-33%**
Travel by car						
Total business travel by car	1 2	3,863	895	922	894	561
per employee		*0.73*	*0.16*	*0.16*	*0.16*	*0.10*
Total business travel by car	1 2 3	11,938	3,360	5,313	5,152	5,034
per employee		*2.25*	*0.62*	*0.93*	*0.93*	*0.89*
Total all travel by road	1 2 3	17,12	4,399	7,136	6,919	7,239
per employee		*3.23*	*0.81*	*1.25*	*1.25*	*1.28*
			-73%	**-59%**	**-59%**	**-61%**
Travel by plane						
Total	3	7,735	1,314	3,769	3,653	5,588
per employee		*1.46*	*0.24*	*0.66*	*0.66*	*0.98*
			-83%	**-55%**	**-55%**	**-33%**

**For 2019 up to and including 2022 we reported based on workforce. The figures for 2022 have been restated to enable reporting based on employee numbers.*

Definitions:
Office buildings scope 1 and 2 is energy related emission.
Office buildings scope 3 is other building related emission like waste, printers.
Business travel by car scope 1 and 2 is from leased/owned cars.
Business travel by car scope 3 is from private cars used for business mileage.
All travel by road scope 1, 2 and 3 covers business and commuting mileage.

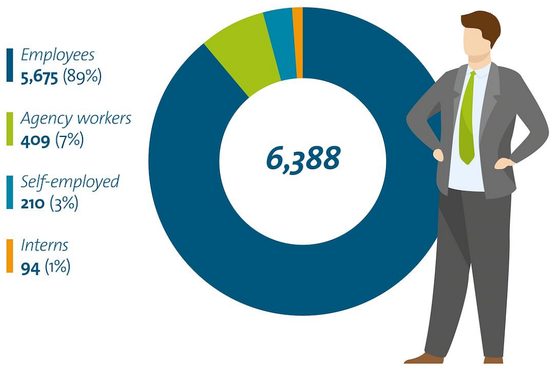
Employability

Our purpose to Enhance Society Together is delivered by our people creating positive impact through our projects and operations. That's why in 2023 'Living our Values' was placed within our strategy. It guides and supports our people by clearly describing the core values and ethical principles which underpin everything we do.

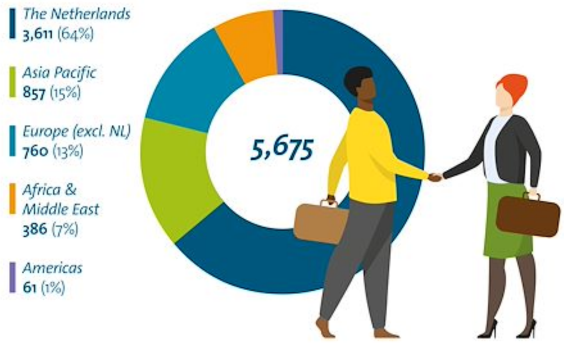
To achieve our strategic ambitions, we aim to be the employer of choice. In 2023, our people strategy focused on cultivating an inclusive culture, attracting and retaining talent for sustainable growth, and empowering our people to have meaningful careers. We designed and delivered a Leading Stronger25 leadership programme to 129 senior and middle managers to drive the success of our strategy execution.

To support our strategic shift towards consultancy services, a new four-month consultancy development programme was also launched. It has been positively received by the first three cohorts in the Netherlands and United Kingdom who completed the programme in January 2024.

Workforce by contract type (headcount)



Employees by region (headcount)



Employee data as of December 31, 2023. The number of employees includes staff with a definite or indefinite contract, employed directly by Royal HaskoningDHV or one of its subsidiaries.

Employees per age group

Nationalities

Female-male ratio	2023	2022	2021
Employees	28-72	26-74	26-74
Executive Council	29-71	37-63	43-57
Supervisory Board	40-60	40-60	40-60

We have employees who identify as non-binary. We intent to update our systems to include them in next year's report.

Employee Engagement

A strong sense of belonging is a key enabler for job satisfaction and helps us retain and grow people within our company. In 2023, our employee engagement score was 80% (2022: 82%). We are proud of the high score despite the slight decrease from 2022. The 2023 response rate was higher (2023: 79%, 2022: 59%). Our employee engagement score is 2% higher than the high-performing average and 9% higher than the general industry average. 79% of our employees responded to the survey and, of these, 86% would recommend our company as a good place to work, 92% feel proud to work for us and 73% feel motivated to do more than is required.

	2023	2022	2021
Employee engagement (%)	80	82	n/a
Employee turnover (%)	13.8	15.8	14.7

Sense of belonging was also a key element in our LinkedIn Employer Branding campaign. Here our colleagues created short and personal content showing the world what an exciting place our company is to work. For example, in this LinkedIn post a colleague describes how he combines his work with being a semi-professional marathon ice skater. The campaign had a lot of engagement and resulted in increased website traffic to the careers section and job applications.

Early impressions are important. Our New Joiners Programme, together with 'Royal Start' our global onboarding and local onboarding events, all play a role in ensuring people quickly feel welcome and integrated into our company. A survey measures the onboarding experience in the first week and again after one and three months. Events and initiatives take place within all our locations to support strong, friendly teams. In Noida and Mumbai offices in India for example, inclusive sport and health activities were organised and enthusiastically received. Our colleagues around the world participated in the World Cleanup Day embodying our purpose to Enhance Society Together and increase our positive impact on environment and society.

One of the Royal Start events in Amersfoort.

Colleagues in Singapore joined forces during World Cleanup Day.

Sport and health activities were enthusiastically received in India.

Learning and Development

We have focused on career development as well as supporting the skills and capabilities of managers to retain talented people within our company. We celebrated the graduation of the second and third cohorts in our Future Leaders Programme. This is for colleagues with 3-8 years of experience creating business impact. Over a 14-month period, they gain self-awareness, skills, knowledge and the abilities needed to actively lead others as line managers, project directors, leading professionals and commercial directors.

In 2023, the first cohort of people achieving high business impact in the Asia-Pacific (APAC) region started a 9-month journey on the APAC Talent Programme. This develops leadership skills and the mindset to deliver on our strategic goals. Additional training to help managers become good leaders is available through our People Academy and includes onboarding for new leaders. We are developing a dedicated programme for new people managers.

Training and development	2023	2022	2021
Average workforce	6,393	6,251	5,721
Total hours spent on training and development	288,546	306,341	215,912
Average hours per person on training and development	45	49	38
Total hours spent e-learning	41,804	12,305	45,842
Average hours per person on e-learning	6.5	1.9	7.9

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

Our wide range of Academies continues to offer training in specific areas of the business. This was expanded in 2023 when our Enhancing Society Together Academy opened, providing guidance material and information on issues which support the 5 themes of our purpose. The Digital Academy also launched various new initiatives. These included Leading with AI, Conversational AI, Combining AI and domain expertise, and a Foundation Course in buildingSMART Professional. Individuals and teams can also request coaching, mentoring, team development and more from our Team Development desk. This provides access to an established internal network of coaches and external contacts to unlock the full potential of people and teams.

To gain more insight into internal career development practices across the organisation, we carried out research via interviews and the Employee Engagement Survey. The findings revealed a need for more clarity and guidance on what is expected of people in different jobs in our business, career development and related services. In response, we are creating a career development tool complementary to the existing Global Positioning System that helps our people understand the expectations and career paths related to their positions.

Two global Learning Weeks were held in 2023. Topics included Sustainability in engineering, AI, Tips and tricks of using Microsoft and PowerBI, Innovation, Change management, and more. These company-wide learning events enable us to learn from each other, take inspiration from latest trends in various fields, and pick up practical advice for using common applications at work. 1,260 people from 18 countries joined one or more sessions during the events.
The average time spent per person on e-learning has risen as a result of the introduction of new internal e-learning programs in 2023. These include courses from NACO Academy, Digital Academy, Career Aspirations, as well as mandatory e-learning modules.

Equality, Diversity and Inclusion

A diverse workforce enables us to embrace diversity of thought to create the best solutions. This can only happen when all our colleagues feel safe and able to contribute. That's why we are cultivating a culture where all our people, regardless of gender, age, sexual orientation, religion, physical ability, or nationality, feel valued and inspired to do their best.

In 2023, we formulated an Equality, Diversity & Inclusion Policy. During a week-long learning event Embracing Diversity Together, we marked International Women's Day with online and offline talks and discussions open to our global community. We also kicked off Pride Month (pictured) with an inspirational online event about what we mean when we talk about gender and sexuality and discrimination associated with these identities.

To maintain attention on these topics, meetings between the Executive Board and all Global Directors take place to discuss diversity within their teams and progress on gender diversity targets. Ongoing dialogues on ED&I take place in management team meetings and we launched an ED&I monitoring survey in the United Kingdom. We actively search for and approach candidates to ensure a diverse candidate pool. Diversity is also represented in selection and interview teams. We provided training on inclusive language for vacancy texts and check texts before they go live. We continue to improve cooperation between agencies and candidates who face barriers in entering the labour market.

We joined the UN Target Gender Equality Programme to guide our efforts to advance gender equality. The aim is to deepen implementation of the Women's Empowerment Principles, strengthening our contribution to relevant Sustainable Development Goals. We increased the percentage of female employees to 28% in 2023 (2022: 26%) which is good progress towards our target of 32% by 2030.

Well-being at work

We believe in everyone's right to positive mental well-being. Our policies and values demonstrate how we want to support our colleagues at difficult times. These include our People First value in the Code of Conduct (PDF). To support our people, the hybrid working model, already present in several countries, was implemented in Poland and Indonesia in 2023. For the future, we are exploring how to include mental health within our annual performance and development cycle.

Training for our managers and leaders helps raise awareness to identify and support the mental health of their teams. In 2023, we carried out training for project managers. They were identified as an important group due to the regular close contact they have with their teams and because they are often in charge of pressing demands that come with globally significant projects. We also support broader opportunities for awareness and connection, including individual and team workshops on identifying the triggers and signals of mental health, as well as coaching touch points.

We track the mental health and well-being of employees through the Care for People dimension in our Employee Engagement Survey. The dimension covers areas such as zero tolerance of inappropriate behaviour, work and personal life balance, respectful treatment, addressing concerns, and more. In 2023, the score was 78% (2022: 79%), 1% below target. More than two-thirds of our organisation (68%) reported having a good work-life balance. However, 12% reported not feeling that balance and this is an area of focus for the future.

Related information is also available in the Health & Safety section.

Giving Back

Our people want to make a real difference in the world. They do this through their work, and also contribute their own time, expertise and private money to individual initiatives and our BriTE Foundation. The BriTE Foundation is a charity set up and run by our people which delivers small-scale projects for people and planet. You can read more about how our people make a positive impact on society on our website.

On 3 December 2023, the Sekolah Pantai 'beach school' in Pacitan, East Java officially reopened following a much-needed revitalisation. The buildings had been in a poor condition having not been used since the pandemic. BrITE supported the Indonesian NGO Project Child that is running the centre with an 8,500-euro donation to construct new classrooms for the centre. It enables 70 children aged 4-12 years to learn about the environment, coastal conservation, water safety, and health practices, as well as to develop their creativity and play.

Health and Safety

People's health and safety is an important part of our purpose. It extends across everyone who works in our organisation to clients, partners and communities around the world. We take a pro-active approach, embedding health and safety in our advice and designs to deliver projects and services that are safe to build, use and maintain. To ensure we maintain a safe and healthy working environment and make continuous improvements, our vision, policies, and processes are incorporated into our Integrated Management System. Our practices comply with the international standard on Occupational Health and Safety Management ISO 45001:2018 for which our certification was continued in 2023.

An awareness programme across the organisation in 2023 helped keep health and safety at the forefront of people's minds and included the importance of reporting, escalation where necessary and follow-up. Local initiatives also took place. For example, a safety briefing including induction and training on first aid and evacuation procedures was organised to coincide with a move to a new office in Indonesia. Other local sessions included a focus on mental health.

We aim to increase the maturity of our health and safety ethos by embedding consciously safe working, designing and advising into our culture and employee behaviour. In the Netherlands, we achieved our target of maintaining level 3 certification on the Safety Culture Ladder in 2023 and are aiming to achieve level 4 in next year's external audit. Our teams which operate in the rail sector are leading the way, having reached level 5 on the Safety Culture Ladder in 2023.

Health and Safety	2023	2022	2021
Lost time injury frequency (LTIF) per 200,000 workable hours	0.09	0.02	0.05
Total recordable case frequency (TRCF) per 200,000 workable hours	2.70	1.55	1.05
Accident and incident reports	170	95	82

Our targets to prevent accidents were met in 2023 with no work-related fatalities and a lost time injury frequency of less than 0.10. During the year, 170 accident and incident reports were submitted (2022: 95). The increase is connected to more awareness of the need to report accidents and incidents. In 2023, we raised the awareness by addressing it in the Global Leadership Group meeting, running a full-year awareness campaign on Viva Engage for all employees, and discussing Health & Safety in Management Team meetings.
116 reports related to accidents and incidents involving employees (2022: 64) where 67 of these occurred at an office location, 26 at out-of-office locations and 23 were traffic related. In total 4 accidents resulting in at least one day off work were recorded in 2023 (2022: 1). 2 of these accidents were traffic related and 2 occurred at an out-of-office location.

The largest surge in reported accidents and incidents was observed in the Netherlands: 108 reports (2022: 57) with a notable increase in unsafe acts/situations (+23), office-related accidents and incidents (+15), non-work-related accidents and incidents (e.g., commuting, team events) (+10), out-of-office accidents and incidents (+3), and traffic-related accidents and incidents (+1). Additionally, there was an increase in reported accidents and incidents from the UK: 31 reports (2022: 19), particularly in office-related accidents and incidents (+8), unsafe acts/situations (+2), and traffic-related accidents and incidents (+2).

The Netherlands and UK, being the countries with the highest number of employees, were the focus of our year-round safety campaign, with the Netherlands already holding and aiming to maintain level 3 certification on the Safety Culture Ladder. Given that the majority of the reported accidents and incidents originate from these two countries and considering that the increase is mainly attributed to heightened awareness of reporting, especially concerning unsafe acts and office-related accidents and incidents, it suggests a growing consciousness regarding health and safety reporting.

We are committed to continuously improve our health and safety record. In 2023 we lowered our target for lost time injury frequency (LTIF) per 200,000 workable hours from 0.11 to 0.10. The LTIF figure for 2023 was just below this new target although, at 0.09 (2022: 0.02) is an increase on 2022. The rise in number of LTIs is due to some unfortunate tripping and falling incidents which happened both in traffic and in out-of-office locations. The risk of traffic-related incidents connected to business travel and tripping and falling incidents at out-of-office locations is proving hard to eliminate. Identifying and adopting risk reduction measures is therefore an important topic for travel and project health and safety risk assessments. LTIF is calculated with the total number of lost time injuries (resulting in at least one day of absence) in a certain time period, divided by the total number of hours worked in that period, and then multiplied by 200,000.

Total recordable case frequency (TRCF) per 200,000 workable hours during 2023 was 2.70. This increased compared to 2022 (1.55) and is also likely to relate to more awareness of reporting accidents, incidents, and unsafe situations/acts.

Integrity and Ethical Performance

Integrity is of utmost importance to us. We operate in many different cultures and countries where we have to deal with dilemmas, disrespectful behaviour in the workplace and unethical business behaviour. To help our people internalise our values, we continued with dialogues to explore ethical dilemmas in 2023. The 15 dilemma sessions focused on real work situations which could happen to anyone. They invite open discussion on moral dilemmas, attitudes and unethical behaviours which may be encountered in the work environment or with external stakeholders. The interactive sessions stimulated awareness of integrity, openness and transparency covering topics such as equality, diversity and inclusion, speaking up, differences of opinion (especially where there is an imbalance in power or seniority), and controversial projects.

The values, systems and principles that define and guide the behaviour of our people and our business partners are described in the Business Ethics section.

Incidents

In 2023, 136 integrity issues, concerns and requests for advice were registered compared to 169 in 2022. We welcome the reported cases because it demonstrates awareness among our employees of the procedures and policies in our company and supports our efforts to promote integrity in our operations. Out of the 136 cases, 4 cases were considered high-risk compliance issues. After investigation, 1 case was assessed as a breach of our Code of Conduct (PDF). Management followed up on this case and has taken the appropriate measures. The case had no financial impact. Characteristics of the reported issues and concerns included disrespectful workplace behaviour, discussions about working for controversial clients, human rights in a particular country, and involvement in publicly disputed projects. All issues and concerns were investigated, discussed and, when appropriate, mitigating measures were taken.

Security and Privacy

Security

The pace of digital transformation travels ever faster, and – in line with our strategic ambitions – presents opportunities and challenges for every area of our activities. Cyber threats increase at similar speed so, for our knowledge-centric company, information security is critical. We constantly update and test our information security measures to protect the interests of our clients, employees, company and other stakeholders. Information we handle includes that which is entrusted to us by clients and other third parties, project information, and company information like intellectual property, employee details and financial information.

We need to protect our internal systems and data to keep our business processes going. We also need to respond to client demands for specific solutions for their security requirements. Our increased focus on delivering digital products led us to expand our secure software development cycle (SDLC) in 2023 to include Dependency Checker. This is an intelligent component analysis platform that allows us to identify and reduce risk in the software supply chain by analysing and producing a Software Bill of Materials (SBoM).

Our information and privacy protection strategy is centred around our Information Security Management System (ISMS), based on the international ISO/IEC 27001 standard. We were re-certified for ISO 27001 in 2023, having first obtained it in 2019. In 2023 we maintained the UK National Cyber Security Centre's (NCSC) Cyber Essentials and Cyber Essentials Plus certifications. Cyber Essentials Plus is the highest level of certification offered under this scheme and is required when bidding for contracts which involve handling certain sensitive and personal information. Our clients are becoming increasingly aware of security and privacy concerns and demand specific solutions for their security requirements.

We only work with ICT vendors and suppliers that have a robust security level in place. A risk assessment and mitigation programme test the security of our own and our suppliers' systems. As part of that, we undertake periodic pen test and vulnerability assessments on critical systems.

In 2023, we made further steps in our transformation from a reactive to a proactive security operation. This is a direct result of the Zero Trust philosophy adopted three years ago. We continued to expand our Security Operations Centre (SOC) team's efforts to continuously evaluate potential incidents, and proactively hunt for threats.

Despite the automated, real-time response that comes with state-of-the-art technology, an important human factor still exists for maintaining a healthy security posture. This is why we invested in raising awareness and enhancing our cyber resilience in 2023 to ensure employees know the basics of information security and understand the role every individual plays in protecting sensitive information and company assets. It included a mandatory e-learning on best practices and behaviours to prevent and respond to cyber incidents offered to our employees and external agents. It covers topics such as password management, phishing, malware, social engineering, and data protection. We also started campaigns simulating realistic phishing scenarios to test and improve our employees' ability to detect and report malicious emails. This is of real relevance to colleagues as, across the organisation, we receive around 1,000 phishing emails every day.

We closely monitor cyber threats resulting from cybersecurity developments worldwide. In 2023 we joined the Connect2Trust, a cross-sectoral partnership between major companies in the Netherlands. It offers a safe and trusted environment in which private parties, together with government bodies charged with security, can analyse and exchange sensitive and confidential information about cyber threats and best practices. Based on advisories and threat intelligence provided by authorities like the Dutch National Cyber Security Centre (NSCS), we carry out a risk analysis on emerging threats and potential impacts. No material impact emerged from these

Privacy

Royal HaskoningDHV collects and uses personal data for various purposes if the conditions set by applicable data privacy legislation are met. These can include personal data of clients, vendors, business contacts, employees, and other stakeholders. This is done via various mechanisms such as client relationship management, proposals and projects for our clients, digital applications and services, financial management, human resource management, and information and communication technology. We are dedicated to protecting the privacy of individuals and are committed to comply with privacy legislation such as the EU General Data Protection Regulation (GDPR), the UK General Data Protection Regulation and Data Protection Act 2018 and South African Protection of Personal Information Act (POPI Act).

We maintain policies, processes, and procedures within a privacy and personal data protection framework. This includes actively verifying the compliance of our processing activities against relevant legislation and maintaining a compliance register through which we identify, investigate, and report data breaches, process data subject requests appropriately, and raise awareness. In the Netherlands and the United Kingdom, the Data Protection Officer ensures compliance with data privacy and, in 2023, we further strengthened our commitment to data privacy by incorporating it within our 12 ethical principles, see the Business Ethics section.

Quality and Sustainability in our Products and Services

Quality in our products and services

Our reputation and ability to attract and retain clients and grow our business in line with our strategic objectives relies on our ability to deliver innovative, lasting, high-quality solutions through our products and services. We ensure the quality of our products and services is maintained by following a consistent approach and adhering to international standards and recognised practices in quality management. They are incorporated into the way we work through the Integrated Management System (IMS) and assist us in leading by example, one of the values which informs our strategy.

The IMS defines common working practices across our global operations and helps us track and manage risks and opportunities in all the projects we deliver to clients. It is based on and certified against a wide range of international standards in the following areas:

- **Quality, health & safety and environment** - Quality management (ISO 9001), Occupational Health & Safety management (ISO 45001), Environmental management (ISO 14001).
- **Integrity** - Compliance management (ISO 37301), Anti-bribery management (ISO 37001).
- **Information management** - Information management using building information modelling (ISO 19650).
- **Information security and data privacy** – Information security management (ISO 27001).

We are continually fine-tuning our working practices and processes to improve project quality and service delivery for our clients and support our business objectives. One of the inputs for improvement is feedback we receive from clients via our client satisfaction survey. Over 2023 the clients who submitted a client satisfaction survey on average scored us 8.4 out of 10 on overall satisfaction (2022: 8.4).

Quality	2023	2022	2021
Client satisfaction score (0-10)	8.4	8.4	8.3

In 2023 we updated various project management and design & engineering processes. This included further harmonising project and product delivery processes across our five business lines to improve consistency and reliability of performance to enhance our service delivery for stakeholders.

In 2023, our Corporate Quality, Health, Safety and Environment (QHSE) department coordinated internal QHSE audits in all our business lines and in 35 of our offices. These were conducted by our global network of independent internal auditors. External QHSE audits were conducted in Australia, India, Indonesia, the Netherlands, the Philippines, South Africa, the United Kingdom and Vietnam. As a result of these audits, the validity of our ISO 9001:2015 (Quality), ISO 14001:2015 (Environment) and ISO 45001:2018 (Occupational Health and Safety) certificates were continued to September 2025. External Integrity & Compliance audits took place in Indonesia, the Netherlands, Poland and the United Kingdom by EuroCompliance. These resulted in our ISO 37001:2016 (Anti-bribery) and ISO 37301:2021 (Compliance) certificates being renewed to November 2026.

We continued our certification against the requirements of the Information Management using Building Information Modelling (BIM) capability in accordance with ISO 19650 in 2023. Successful external surveillance audits were conducted in South Africa and Indonesia, and we extended our certification to another country (the Philippines). ISO 19650 is the international standard for managing digital information throughout the life cycle of built assets and construction projects of all sizes and levels of complexity. The certification demonstrates we can provide clients with better and more sustainable solutions, faster delivery times and improved risk management. It shows we are committed to using a standard approach to define, create, validate, and share project information.

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

Sustainability in our products and services

As a company, the positive impact we achieve through our work for clients is far more significant than reductions we make on our direct footprint. To maximise this impact, it is important that all our people and systems reflect and reinforce our purpose. Until early 2023, we demonstrated project impact through individual project examples.

April 2023, we started measuring the impact of our projects on people and planet on 5 themes: climate change, biodiversity, resources, social value and safety. At the end of 2023 we had assessed some 1,000 projects across our portfolio. We measure our impact as follows: -1 for negative, 0 for neutral, +1 for positive and +2 for very positive, and provide an average score for our performance per theme. In 2023 our overall positive 'score' increased from 2.97 end-April to 3.19 at the end of the year. Going forward we aim to expand our assessment to a wider part of our portfolio, and to grow the pentagon further into the green, see the Sustainability section.

Clients are asked for feedback when projects are completed. Most of our clients rate us Good or Very Good on delivering on our purpose Enhancing Society Together. In 2023, this resulted in an average Enhancing Society Together score of 7.5 out of 10.

Sustainability	2023	2022	2021
Enhancing Society Together client score (0-10)	7.5	7.5	7.6
Enhancing Society Together project self-assessment	3.2	n/a	n/a

Our Gold rating from EcoVadis was renewed after an assessment at the end of 2023. EcoVadis is the world's largest and most trusted provider of business sustainability ratings. It evaluates how well our company has integrated the principles of Sustainability/CSR into our business and management system. It includes environment, labour practices & human rights, fair business practices, anti-corruption and sustainable procurement.

Outlook

We expect markets will continue to face challenging economic headwinds through 2024. Although this will limit greenfield investments in industries, it brings opportunities for support on brownfield investments and optimising existing assets. We also expect ongoing need for solutions connected with climate change and further digitalisation. Our recent performance demonstrates our ability to grow in tough business environments while delivering exceptional services that are in demand. Looking at the group's current liquidity and solvency as well as the stable operating cash flow, Royal HaskoningDHV's financial position is very healthy and strong. The work we have done to implement our strategy Stronger25 and to strengthen our purpose to Enhance Society Together is paying off. We will continue the course set by the strategy with a focus on further organic profitable growth related to our main markets in Global Leading Markets and the Netherlands and our main activities of design, engineering and consultancy.

Strong growth opportunities across our markets

We see strong growth opportunities for 2024 even as economic and geopolitical instability continue. Supply chains remain vulnerable, and many organisations are reassessing the location of their operations and how to spread risks. There is a need for more flexibility to cope with uncertainty. Our proven expertise in industry, building, transport, resilience and supply chain consultancy, supported by digital tools, enables us to guide decision making and implement future-proof solutions. Demand for our services to support the move to sustainable energy sources will remain high, as awareness and regulation increase. Other opportunities arise from requirements for companies to report on their impact (Corporate Sustainability Reporting Directive) as well as the European Green Deal. The Green Deal will boost investment in scaling up manufacturing of clean technologies and create better conditions for new net-zero projects in Europe. Elections in countries where we operate present uncertainty over future investment priorities. This has been true in the Netherlands where we await decisions on climate expenditure plans and nitrogen legislation. However, we do not expect the increasing attention on climate change to reverse. It will remain an important topic for clients in the coming years.

Overall, we expect to achieve further profitable growth, consolidated in our Global Leading Markets and in the Netherlands. Strong performances from our engineering, design and consultancy business lines will drive this growth, supported by increased technology sales. We will grow our digital solutions and digital advice to clients, including on digital twins. Digital developments will continue to be incorporated into our activities where they can increase the speed, efficiency, and impact of our services. Execution of our data- and artificial intelligence strategy in 2024 will help guide this process.

Empowering our people within an inclusive culture

We identify the scarcity of skilled labour as a significant challenge in 2024. Our ability to stand out in our markets to attract and retain talented people is vital for us to meet our growth ambitions. Initiatives started in 2023 to emphasise people at the core of our strategy. These will develop further in 2024 with a focus on fostering an inclusive culture, empowering our people for ongoing success, and providing training and development for them to grow within our organisation. We will also continue our Employer Branding campaign on LinkedIn to grow awareness and position our company as employer of choice.

Portfolio developments

Acquisitions enable us to add value to our services and bring new talent to the organisation. We will continue to look for opportunities to acquire compatible companies that enlarge our portfolio while aligning with our purpose and strategic ambitions.

From the beginning of 2024 our South African business became a local company, majority owned by management and employees. We will continue to own a minority share.
Early 2024, we sold our stake in Singapore-based Hydroinformatics Institute (H2i).

Enhancing Society Together

Our purpose to Enhance Society Together continues to drive everything we do in 2024. The relevance of our mission increases as societies recognise the urgent need to mitigate and reverse the harmful effects of human activity on climate and the environment. We aim to assess every project using our Purpose Matrix and increase the impact achieved. In 2023, we addressed a number of dilemmas our organisation faces over the work we do. We will continue to make conscious choices about our projects and clients, based on guidance from position papers. These are developed in dialogue with our clients, stakeholders and colleagues.

In 2024, we look forward to the opening of our office in Delft, vividly bringing our ambitions to life. We are turning a monumental building into an excellent modern office and an inspiring working environment. We have navigated strict constraints to give the historic building a new purpose while preserving the special character and architecture which form part of its protected status. The office will be the first Dutch national monument with Paris Proof status and thus will live up to our promise Enhancing Society Together.

Amersfoort, the Netherlands
March 14, 2024

Executive Board

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

Supervisory Board Report

Introduction

In 2023, Royal HaskoningDHV delivered an excellent performance with very strong financial results. We are pleased to see continuous growth year on year and a strong increase in results and profitability, in line with our strategic ambitions. The Supervisory Board recognises the dedication and commitment of all employees at Royal HaskoningDHV in this achievement. The global economic environment continued to be challenging and volatile in 2023 and high inflation impacted the cost of materials and labour. The ability of the company to deliver such a strong set of results in challenging times confirms it is pursuing a robust strategy and we congratulate the Executive Board on its implementation.

The Supervisory Board was pleased to appoint Marije Hulshof as first female Chief Executive Officer (CEO) of the company in April 2023. Marije brings considerable experience and a result-driven focus to lead the organisation. We would like to thank Erik Oostwegel for his service and leadership, steering the progress of Royal HaskoningDHV for over a decade and the smooth transition to the new CEO. In his new role as Chief Commercial Officer, he has a clear focus on the company's commercial and key account activities.

As a people business, Royal HaskoningDHV must attract and retain exceptional people to power its growth and deliver on its purpose. Scarcity of talent is an increasing challenge to many companies and Royal HaskoningDHV is no exception. The company has a strong differentiator in the market for talent through its purpose to Enhance Society Together. The findings of our 2023 employee survey confirmed strong engagement, indicating that employees are committed to the organisation and motivated to go the extra mile. In addition, we are confident that the continued focus on talent development, including the leadership development programme, recruitment and retainment pays off and will enable Royal HaskoningDHV to achieve its growth ambitions. The leadership development programme has been introduced alongside initiatives to upgrade leadership skills at all levels and create attractive career development pathways.

We recognise the effort and enthusiasm shown by all employees in the organisation in introducing the Enhancing Society Together Purpose Matrix tool to start assessing impact and value of our activities on a project-by-project basis. Impact is assessed across five themes that are strongly linked to our purpose: Climate Change, Biodiversity & Natural Systems, Resources & Circularity, Social Value & Equality, and Safety & Well-being. It is an important step in enhancing awareness of the company's purpose both internally and externally. It provides tangible evidence of the organisation's progress in realising its ambitions. We expect to see further developments on targets as the measurement system evolves in 2024 and the Supervisory Board fully supports this. The organisation's purpose to Enhance Society Together is engrained and recognised across the company but can also lead to diverging views on where the company operates and who for. We were pleased to see dilemmas being addressed in open and transparent discussions across the company.

The rapid digital developments create constant challenge on how to position the company in a fast-changing world. With Artificial Intelligence making a huge leap in 2023, all levels of the organisation accelerated exploring opportunities but also bearing in mind the associated risks such as confidentiality and privacy. The Supervisory Board welcomes the growing use of Artificial Intelligence as part of efforts to develop more efficient ways of working.

The new Dutch Corporate Governance Code 2022 was introduced in the Netherlands at the end of 2022. Royal HaskoningDHV has voluntarily adopted the Code and its 'comply or explain' overview is published on the company's website. There is new focus on sustainability as part of the long term value creation which fits very well with Royal HaskoningDHV's purpose of Enhancing Society Together. Various initiatives to align with the Code are already in place. We also focused on the governance implications of reporting requirements under the European Union's Corporate Sustainability Reporting Directive (CSRD). Overall, the Supervisory Board is of the view that Royal HaskoningDHV is well positioned and well prepared to further implement these governance requirements.

The 2023 Financial Statements are prepared by the Executive Board and have been audited by PricewaterhouseCoopers Accountants N.V. (Its report can be found in the section Other Information). The 2023 Financial Statements have been approved and signed by all members of the Executive Board and the Supervisory Board on March 14, 2024. We recommend to the shareholders that they adopt the 2023 Financial Statements and that the Executive Board is granted discharge with respect to its management as well as the Supervisory Board for its supervision during the financial year 2023. Given the 2023 result, we support the proposal of the Executive Board to pay a dividend of €4.75 per share.

The Supervisory Board would like to thank the Executive Board, the Executive Council and every employee for their contribution in 2023. We look forward to working with all our stakeholders to deliver positive impact for clients, society and the organisation in 2024. Finally, the Supervisory Board notes with gratitude the contribution of our Chair Peter Blauwhoff who is stepping down from the Supervisory Board after nine years.

"Royal HaskoningDHV has just delivered its best set of results this decade. I am pleased to leave the organisation in strong shape, knowing it is in the very good hands of a dedicated and experienced team with a robust strategy. It has been an honour to be associated with this great company. I have seen it go from strength to strength, never losing sight of its purpose to bring positive impact to society. I am confident that it will continue to play a transformational role bringing sustainable value to clients and society at large. I wish the company, its leaders and all its employees the very best."

Peter Blauwhoff, Chair Supervisory Board Royal HaskoningDHV 2015-2024.

Amersfoort, the Netherlands
March 14, 2024

Supervisory Board

P.M.M. (Peter) Blauwhoff (Chair)
L.I. (Louisa) van den Broek
F.C.M. (Francine) Roelofsen-van Dierendonck
D.A. (Daan) Sperling (Vice-Chair)
R. (Rob) Zandbergen

Profile and composition of the Supervisory Board

Royal HaskoningDHV has a two-tier structure, whereby the Supervisory Board is a separate and independent body from the Executive Board. The Supervisory Board supervises and advises the Executive Board in performing its management tasks and setting the direction for Royal HaskoningDHV. The Supervisory Board endorses the principle that the composition of the Supervisory Board shall be such that its members are able to act critically and independently of one another and of the Executive Board and any particular interests. In performing its tasks, the Supervisory Board focuses on, inter alia, Royal HaskoningDHV's strategy and the execution thereof, the succession planning for the Executive Board, the management of risks inherent to Royal HaskoningDHV's operational activities, the financial performance and reporting process, compliance with applicable legislation and regulations, and the relationship with shareholders and other stakeholders.
The full profile of the Supervisory Board can be found on the website.

The Supervisory Board consists of five members. Its members cover the targeted competencies in accordance with the profile of the Supervisory Board and are independent in the performance of their duties and responsibilities. The Supervisory Board monitors its profile and composition, continuously striving for a diverse and balanced composition in accordance with the latest governance requirements and regulations as well as assuring alignment with the strategic direction of the company.
The Supervisory Board consisted of two female and three male members in 2023, all of whom are of Dutch nationality.

The Supervisory Board would like to thank Angelique Paulussen-Hoogakker who stepped down in April 2023 having reached the statutory maximum term. She played an instrumental role in driving a constructive relation between the Supervisory Board, the Executive Board and the Works Council. Louisa van den Broek was then appointed to the Supervisory Board at the recommendation of the Dutch Works Council.

In the 2023 Annual General Meeting, Peter Blauwhoff was reappointed for a third term of one year and will step down at the 2024 meeting. The Supervisory Board has completed the process for his succession.

Evaluation of the Supervisory Board

In 2023, evaluation of the Supervisory Board and its committees was performed by a self-assessment, consisting of a written survey, followed by one-on-one meetings between the Chair and individual Supervisory Board members. Furthermore, the Vice-Chair interacted with all Supervisory Board members to assess the performance of the Chair. The outcome of the evaluation was further discussed within the Supervisory Board. The internal evaluation over last year's performance of the Supervisory Board concluded that the Supervisory Board continues to be a well-functioning team, is of an appropriate size, and benefits from the expertise and diversity of its members. The main findings of the self-evaluation were discussed with the Executive Board.

Supervisory Board Meetings

The Supervisory Board convenes on a regular basis to monitor the overall performance and developments of the company. Additional Supervisory Board meetings are scheduled if and when required to discuss strategic, transactional and governance matters. In 2023, the Supervisory Board held 4 regular meetings that were attended by all the members of the Supervisory Board and the Executive Board. Topics discussed included People Strategy, the operational performance and financial results, and the implementation and execution of the Stronger25 strategy. The Supervisory Board was pleased to see the M&A strategy was further aligned with the strategy. During 2023 various potential acquisitions were considered but for various reasons none of these materialised in 2023. Furthermore, the Supervisory Board and the Executive Board have spent considerable time finalising the transfer of Royal HaskoningDHV's South African operations to an independent locally owned organisation as from 2024 onwards. Royal HaskoningDHV will remain a minority shareholder. The management buy-out of InterVISTAS was successfully completed in March 2023.

Deep Dive sessions allowed in-depth review and discussion on the markets Light Industry, Tunnels & Structures and on Artificial Intelligence in June and October 2023. The Supervisory Board discussed with the Executive Board the way forward for the business line Digital on several occasions. With the repositioning of the Business Unit Software and the re-assessment of the Digital strategy, the Supervisory Board is confident that Royal HaskoningDHV will achieve its ambitions in that respect.

The Supervisory Board was delighted to attend project visits to ENCI quarry, Chemelot-site and several projects in the centre of Maastricht on October 11, 2023, and Schiphol Airport on September 14, 2023. They provided a good insight of the variety of projects carried out by Royal HaskoningDHV, as well as the enthusiasm and commitment of employees who accompanied the Supervisory Board during the visits. Various members of the Supervisory Board visited the future office in Delft during the year to watch the progress of the renovation. It will be the first listed building in the Netherlands that will be Paris Proof.

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

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

Committees

The Supervisory Board has two long-standing committees: the Audit Committee and the Remuneration and Appointment Committee. The function of these committees is to prepare the decision-making for the full Supervisory Board. The full Supervisory Board retains overall responsibility for the activities of its committees.

Audit Committee

The primary role of the Audit Committee (AC) is to support the Executive Board in fulfilling its oversight responsibilities in matters such as the integrity of financial reporting, the effectiveness of the risk management framework and system of internal controls. The AC is also responsible for assessing the quality of the audit performed by the external independent auditor and, moreover, makes a recommendation to the Executive Board on the appointment or reappointment of the external independent auditor. In addition, the AC oversees the work and quality of the internal audit role.

In 2023, the AC consisted of Rob Zandbergen (Chair) and Daan Sperling. The AC convened on five occasions with the company's management. All AC meetings are including the internal and external independent auditors.

In 2023, the AC reviewed the annual financial statements, including non-financial information, the quarterly financial results, the extended business analysis, as well as the outcomes of the year-end audits. Other topics on the agenda were the annual plan, cash management and working capital, tax policies, pensions, risk management, CSRD reporting, and developments in ICT and ICT security. In addition, the external independent auditor's audit plan, audit report and management letter were discussed. Furthermore, the performance and independence of the external independent auditor was discussed.

Remuneration and Appointment Committee

The Remuneration and Appointment Committee (RemCo) consists of Francine Roelofsen-van Dierendonck (Chair), Peter Blauwhoff and Louisa van den Broek who was appointed at the Annual General Meeting (AGM) in 2023. She succeeded Angelique Paulussen-Hoogakker who stepped down at the AGM in 2023. The RemCo advises the Supervisory Board in relation to its responsibilities with respect to the remuneration and the composition of the Executive Board and the Supervisory Board, and corporate governance developments. In 2023, the committee convened on four occasions for scheduled meetings. The RemCo had the following topics on the agenda: succession planning at Royal HaskoningDHV, the remuneration of the Executive Board, Equality Diversity and Inclusion Policy, the results of the employee engagement survey, the compensation and benefits programme. The RemCo also prepared the appointment of Marije Hulshof as CEO and the change of Erik Oostwegel's position from CEO to Chief Commercial Officer (CCO), effective April 4, 2023. Furthermore, the RemCo worked on the succession of Peter Blauwhoff who will step down at the end of his third term at the AGM in 2024.

Remuneration Report

The remuneration policy for the Executive Board is designed 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.

In 2023, the Supervisory Board requested PricewaterhouseCoopers Accountants N.V.'s Focus Orange, to carry out a salary benchmark. As in 2019, the benchmark was completed on the basis of remuneration in peer companies, that is companies operating in a comparable (international) market with a roughly similar risk profile and size as Royal HaskoningDHV. The Supervisory Board evaluated the remuneration package of the Executive Board. The elements of compensation 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 also a consideration.

The variable remuneration of the EB consists of various elements. Besides financial performance and profitable growth, one of the other specific targets set is in relation to Enhancing Society Together which contributes to the long-term value creation by the company. 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.

Remuneration 2023

Fixed income component

The Supervisory Board decided, within the remuneration policy adopted by the Annual General Meeting (AGM) in 2020 and based on the outcome of the benchmark, not to increase the fixed remuneration of the Executive Board.

Variable remuneration component

According to the remuneration policy adopted by the AGM, the maximum variable remuneration was increased to 60% of the fixed annual remuneration. No other exceptional remuneration was paid to the members of the Executive Board in 2023.

The ratio of the total remuneration of the Executive Board relative to the average remuneration of an employee in the Netherlands is as follows.

	2023	2022
All	9.1	7.1
CEO	10.2	8.1
CFO	8.0	6.3
CCO	9.5	n/a

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

Financial Report

Consolidated Financial Statements

Consolidated Balance Sheet at December 31, 2023

Before profit appropriation

€ thousands

Assets	Note	31-12-2023	31-12-2022
Fixed assets			
Intangible fixed assets	4	26,212	32,069
Tangible fixed assets	5	31,803	21,510
Financial fixed assets	6	11,055	10,640
		69,070	**64,219**
Current assets			
Work in progress	7	90,335	81,913
Receivables	8	146,909	158,950
Cash and cash equivalents	9	180,536	146,669
		417,780	**387,532**
Total assets		**486,850**	**451,751**

Group equity & liabilities	Note	31-12-2023	31-12-2022
Group equity			
Shareholders' equity	10	233,494	209,743
Minority interest	11	138	87
		233,632	**209,830**
Liabilities			
Provisions	12	20,463	20,091
Non-current liabilities	13	1,016	2,828
Current liabilities	14	231,739	219,002
Total Group equity & liabilities		**486,850**	**451,751**

Consolidated Income Statement for the year 2023

€ thousands

	Note	2023	2022
Net turnover	17	**736,302**	**698,810**
Other operating income		-	-
Total operating income		**736,302**	**698,810**
Costs of work subcontracted and other external expenses		130,599	139,797
Salaries and wages	18	338,278	323,826
Social security & pension charges	18	83,213	77,263
Depreciation and amortisation on tangible and intangible fixed assets	4, 5	14,474	13,647
Impairment of intangible fixed assets	4	1,622	-
Other operating expenses	20	136,535	124,326
Total operating expenses		**704,721**	**678,859**
Operating result		**31,581**	**19,951**
Interest income		5,052	775
Interest expenses		(1,562)	(728)
Net interest expenses		3,490	47
Result from ordinary activities before tax		**35,071**	**19,998**
Corporate income tax	21	(10,862)	(6,238)
Share of result of participating interests		533	30
Result after tax		**24,742**	**13,790**
Minority interest		47	(57)
Net result		**24,789**	**13,733**

Consolidated Statement of Comprehensive Income for the year 2023

€ thousands

	Note	2023	2022
Consolidated net result after taxation		**24,742**	**13,790**
Translation differences on foreign participating interests	10	(1,192)	(1,446)
Remeasurement of defined benefit plan	10	(1,916)	6,409
Total of direct movements in Group equity		**(3,108)**	**4,963**
Total result of the Group		**21,634**	**18,753**

Consolidated Cash Flow Statement for the year 2023

€ thousands

	Note	2023	2022
Operating result		**31,581**	**19,951**
Adjusted for:			
Amortisation, depreciation and impairment	4, 5	16,096	13,647
Other value adjustments		2,768	(5)
Changes in provisions	6, 12	(1,225)	3,304
Work in progress	7, 14	(8,968)	(9,592)
Receivables	8	3,416	(24,076)
Current liabilities	14	13,866	3,199
Changes in working capital		8,314	(30,469)
Cash flows from business operations		**57,534**	**6,428**
Interest received		5,007	606
Dividends received	6	505	909
Interest paid		(1,562)	(818)
Income tax paid		(5,563)	(5,106)
Cash flow from operating activities		**55,921**	**2,019**
Investments in:			
Intangible fixed assets	4	(4,995)	(6,013)
Tangible fixed assets	5	(15,055)	(15,228)
Financial fixed assets	6	(1,457)	(405)
Acquisition of group companies	3	(2,840)	(9,338)
Disposals of assets:			
Intangible fixed assets	4	51	266
Tangible fixed assets	5	45	244
Financial fixed assets	6	264	8
Proceeds from sale of interests in group companies, net of cash disposed		1,911	-
Cash flow used in investing activities		**(22,076)**	**(30,466)**
Sale or (Purchase) of own shares	10	2,706	2,068
Repayment of borrowings	13	(236)	-
Proceeds from borrowings	14	-	216
Dividends paid to shareholders of the company	10	(636)	(596)
Dividends paid to holders of minority interests	11	44	(5)
Cash flow from financing activities		**1,878**	**1,683**
Net cash flow		**35,723**	**(26,764)**
Exchange rate and translation differences		(1,856)	(842)
Changes in cash and cash equivalents		**33,867**	**(27,606)**
Cash and cash equivalents at January 1		146,669	174,275
Movements during the year		33,867	(27,606)
Cash and cash equivalents at December 31		**180,536**	**146,669**

Notes to the Consolidated Financial Statements

1 General information and basis of preparation

1.1 Operations

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

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

1.2 Registered office & group structure

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

These financial statements cover the year 2023, which ended at the balance sheet date of December 31, 2023.

1.3 Consolidation

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

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

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

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

Since the income statement for 2023 of the Company is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2 of the Dutch Civil Code.

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

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

Early in 2024, Royal HaskoningDHV Pty. Ltd. formally became a local company, majority owned by management and employees. This will provide the flexibility and independence it needs to pursue profitable markets that are outside the strategy of our global operation. We have deconsolidated our South African operation as of December 31, 2023.

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. DHV Education Foundation will be dissolved in 2024.

1.4 Related party transactions

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

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

1.5 Acquisitions and disposals of group companies

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

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

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

1.6 Recognise assets and liabilities

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

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

1.7 Notes to the cash flow statement

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

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

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

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

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

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

1.8 Estimates

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

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

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

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

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

1.9 Events after balance sheet date

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

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

2 Accounting policies for the balance sheet and income statement

2.1 General information

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

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

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

The 2022 numbers of the Group have been changed for comparison purposes in a few notes.

These changes are:

- It was decided to move India from region "Africa, Middle East and India" to region "Asia Pacific". This has been applied to notes 17 Turnover and note 22 Number of employees.
- Note 7 Work in progress: an improved method for splitting master projects in assets and liabilities has been implemented. This method has been applied to the 2022 comparative figures as well.

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

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

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

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

2.2 Changes in accounting principles

No changes in accounting principles for 2023.

2.3 Changes in accounting estimates

No changes in accounting estimates for 2023.

2.4 Foreign currencies

Functional currency

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

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

Transactions, receivables and debts

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

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

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

Group companies

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

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

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

2.5 Financial instruments

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

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

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

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

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

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

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

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

Receivables, loans granted and other receivables

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

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

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

Non-current and current liabilities and other financial commitments

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

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

Derivatives

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

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

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

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

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

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

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

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

Impairment of fixed assets

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

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

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

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

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

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

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

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

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

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

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

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

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

Offsetting financial instruments

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

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

2.6 Intangible fixed assets

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

Goodwill

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

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

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

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

Software

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

Licenses and patents

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

Development cost

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

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

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

2.7 Tangible fixed assets

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

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

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

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

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

The estimated average useful life by category is as follows:

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

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

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

Property development - Delft office

During 2023, investments related to the Delft office have increased. Costs are capitalised to the extent that these are recoverable, as shown by an independent valuation of the building. Assets under construction will not be depreciated until the finalisation and commissioning of the project.

2.8 Financial fixed assets

Participating interests

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

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

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

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

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

Loans to participating interests

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

Deferred tax

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

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

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

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

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

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

Other

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

2.9 Work in progress

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

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

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

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

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

2.10 Receivables and securities

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

2.11 Cash and cash equivalents

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

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

2.12 Shareholders' equity

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

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

2.13 Minority interest

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

2.14 Dividends

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

2.15 Provisions

General information

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

A provision is recognised if the following applies:

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

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

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

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

Pension benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other provisions

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

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

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

For deferred income tax we refer to note 2.8.

2.16 Non-current liabilities

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

2.17 Current liabilities

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

2.18 Leases

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

Financial lease

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

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

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

Operational leases

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

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

2.19 Result determination

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

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

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

2.20 Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

2.21 Net turnover

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

2.22 Other operating income

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

2.23 Costs of work subcontracted and other external expenses

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

2.24 Employee benefits

Benefits payable on a regular basis

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

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

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

Pensions

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

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

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

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

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

Because of the above The Pension Fund has become a fully self-managed regular company pension fund. At the end of 2023 the provisional actual coverage rate is 120.7% and the provisional policy coverage rate is 123.8%.

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

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

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

2.25 Amortisation and depreciation

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

2.26 Operating expenses

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

2.27 Government grants

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

2.28 Finance income and expenses

Interest

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

Dividends

Dividend income is recognised when the actual payment is received.

2.29 Corporate income tax

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

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

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

2.30 Share of result of participating interests

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

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

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

3 Mergers and acquisitions

The Group acquired 20% of the shares and voting rights in Studio IN-EX Zrt., which is an architecture and engineering company, based in Hungary. This acquisition will help us to grow our data center services and boost our competences in DWOW and BIM. The participation in Studio IN-EX Zrt. has been recorded applying the 'equity method'. The purchase price for this acquisition is €1.1 million.

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

Per February 2023, Studio IN-EX Zrt. has been included as a participating interest in the consolidated financial statements of the Group.

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, 2023					
Cost	65,461	8,483	477	10,570	84,991
Accumulated amortisation and impairment	(41,601)	(6,833)	(109)	(4,379)	(52,922)
Carrying amount	**23,860**	**1,650**	**368**	**6,191**	**32,069**
Movements					
Investments	554	378	65	4,552	5,549
Divestments	-	(51)	-	-	(51)
Adjustment earn-out	61	-	-	-	61
Exchange differences	161	(2)	-	15	174
Impairment	(1,622)	-	-	-	(1,622)
Amortisation	(5,339)	(725)	(52)	(3,852)	(9,968)
Subtotal	**(6,185)**	**(400)**	**13**	**715**	**(5,857)**
At December 31, 2023					
Cost	65,674	8,271	542	15,151	89,638
Accumulated amortisation and impairment	(47,999)	(7,021)	(161)	(8,245)	(63,426)
Carrying amount	**17,675**	**1,250**	**381**	**6,906**	**26,212**
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 exist, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related cash generating unit (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 based on their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, budget 2024 and further financial projections for four or seven years, depending on the business profile of the CGU. Cash flows after five or eight years, depending on the business profile of the CGU, are extrapolated by a perpetual growth rate to calculate the terminal value.

To calculate the present value of the estimated future cash flows, pre-tax discount rates have been applied, however, since tax is included in our cash flows, post-tax discount rates are considered. For our Business Unit Software and the entity Hydroinformatics Institute Pte. Ltd (H2i) there were triggering events. The total amount of €1.6 million of goodwill related to our entity H2i was impaired while testing of the Business Unit Software did not result in an impairment of the related goodwill. We have applied the following discount rates: 9.71% for the Netherlands, 10.58% for United Kingdom, 9.84% for United States and 10.00% for France.

Goodwill investments relate to the acquisition of Studio IN-EX Zrt. (see note 3).

The carrying amount of Development cost mostly relates to the Twinn software in the Netherlands and United Kingdom, for €6.9 million.

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

	31-12-2023	31-12-2022
the Netherlands	11,854	13,866
United Kingdom	5,359	7,599
Europe (excl. NL and UK)	462	-
Asia	-	2,395
	17,675	**23,860**

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, 2023						
Cost	10,093	8,229	18,456	2,940	9,800	49,518
Accumulated depreciation and impairment	(6,860)	(6,515)	(12,568)	(2,065)	-	(28,008)
Carrying amount	**3,233**	**1,714**	**5,888**	**875**	**9,800**	**21,510**
Movements						
Investments	680	257	1,816	71	12,231	15,055
Divestments	-	(8)	(31)	(6)	-	(45)
Deconsolidated	(66)	(109)	(3)	-	-	(178)
Exchange differences	9	(13)	(2)	(27)	-	(33)
Depreciation	(619)	(414)	(3,094)	(379)	-	(4,506)
Subtotal	**4**	**(287)**	**(1,314)**	**(341)**	**12,231**	**10,293**
At December 31, 2023						
Cost	9,374	6,890	16,391	2,606	22,031	57,292
Accumulated depreciation and impairment	(6,137)	(5,463)	(11,817)	(2,072)	-	(25,489)
Carrying amount	**3,237**	**1,427**	**4,574**	**534**	**22,031**	**31,803**
Depreciation rate in %	0 - 33	10 - 33	20 - 33	20 - 33	0	

The investments in tangible fixed assets of €15.1 million relate to: the Delft office (€12.2 million), hardware (laptops) (€1.6 million) in the Netherlands and other investments in various countries (€1.3 million).

6 Financial fixed assets

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

	Participating Interests	Loans to non-group companies	Deferred income tax assets	Other financial fixed assets	Total
At January 1, 2023	**4,265**	**-**	**6,375**	**-**	**10,640**
Investments / additions	737	1,152	740	450	3,079
Repayments / utilisation	-	(54)	(1,955)	(210)	(2,219)
Deconsolidated	(802)	(109)	(1,117)	-	(2,028)
Remeasurement of defined benefit plan	-	-	639	-	639
Share of result in participating interests	533	-	-	-	533
Reclassification	867	-	158	-	1,025
Exchange differences	(70)	-	(39)	-	(109)
Dividends	(505)	-	-	-	(505)
At December 31, 2023	**5,025**	**989**	**4,801**	**240**	**11,055**

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

Participating interests

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

The reclassification of €0.9 million is related to the remaining 26% share in Royal HaskoningDHV (Pty) Ltd. in South Africa (see note 1.3).

Loans to non-group companies

The addition is related to Royal HaskoningDHV Pty.Ltd. becoming a local company, majority owned by management and employees. This will provide the flexibility and independence it needs to pursue profitable markets that are outside the strategy of our global operation. We have therefore deconsolidated our South African operation as of December 31, 2023 (see note1.3).

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:

	31-12-2023 Deferred income tax assets	31-12-2022 Deferred income tax assets
Deductible temporary differences related to United Kingdom pensions	2,187	2,050
Other deductible temporary differences	2,315	3,487
Total deductible temporary differences	**4,502**	**5,537**
Tax losses	299	838
	4,801	**6,375**

An amount of €0.5 million of the €4.8 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 €9.2 million (2022: €19.1 million).

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 2023 -€1.9 million is recognised directly in equity (2022: +€6.4 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:

	31-12-2023	31-12-2022
Projects with a debit balance:		
Costs incurred and estimated earnings (project-to-date)	949,292	939,223
Billings (project-to-date)	(858,957)	(857,310)
	90,335	**81,913**
Projects with a credit balance:		
Billings (project-to-date)	(1,215,803)	(1,249,006)
Costs incurred and estimated earnings (project-to-date)	1,134,451	1,163,628
	(81,352)	**(85,378)**
Provision for expected losses	(9,702)	(10,547)
Payments in advance	(1,703)	(2,088)
	(92,757)	**(98,013)**

The balances of the projects have been assessed at master project level and only includes master projects that have a balance at the end of the year.
The negative amount of work in progress is included in the current liabilities, see note 14.

8 Receivables

	31-12-2023	31-12-2022
Trade receivables	115,339	122,516
Amounts owed from participating interests	10,012	10,668
Corporate income tax	380	2,379
Other taxes and social security charges	2,153	1,922
Employee advances	445	617
Prepaid expenses	14,855	18,378
Other receivables	3,725	2,470
	146,909	**158,950**

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

	31-12-2023	31-12-2022
Trade receivables	127,011	135,622
Less: provision for bad debts	(11,672)	(13,106)
	115,339	122,516

During the year the provision for bad debts decreased by €1.4 million, after a deconsolidation of €2.9 million. After compensating for deconsolidation, the bad debt provision increased by €1.5 million. Besides that, €1.2 million was booked for trade debtors written off. The total impact on the 2023 result (including FX effects) was €2.7 million.

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, 2023 were: 73 (2022: 73).

9 Cash and cash equivalents

The cash and cash equivalents balance includes an amount of €0.4 million (2022: €0.1 million) that is not immediately accessible. This relates to funds that are in an escrow account with the Dutch Tax Authorities in line with the Dutch Sequential Liability Act. The funds on this account are short-term in nature.

The cash and cash equivalents include an amount of €10.0 million parked on an escrow account. This is related to the South African operation becoming independent. This amount is not immediately accessible. The amount was released again in January 2024.

The cash and cash equivalents balance include deposits of €77.5 million (2022: €36.0 million), with a maximum term of maturity of 12 months. These deposits are not immediately accessible.

10 Shareholders' equity

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

	2023						
	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappropriated result	Total
At January 1	**5,155**	**5,203**	**(8,689)**	**9,452**	**184,889**	**13,733**	**209,743**
Movements	-	-	-				
Legal and statutory reserves	-	-	-	565	(565)	-	-
Reclassification	-	-	805	-	(805)	-	-
Exchange differences	-	-	(1,192)	-	-	-	(1,192)
Unappropriated result	-	-	-	-	-	24,789	24,789
Transfer result last year to other reserves	-	-	-	-	13,733	(13,733)	-
Shares issued	65	2,641	-	-	-	-	2,706
Dividend	-	-	-	-	(636)	-	(636)
Other movements in reserves	-	-	-	-	(1,916)	-	(1,916)
Subtotal	**65**	**2,641**	**(387)**	**565**	**9,811**	**11,056**	**23,751**
At December 31	**5,220**	**7,844**	**(9,076)**	**10,017**	**194,700**	**24,789**	**233,494**

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

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

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

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

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

The legal and statutory reserves consist of a statutory reserve for unappropriated income of participating interests of €2.8 million, a legal reserve for capitalised development costs of €6.9 million and a legal reserve of €0.3 million in Portugal, Belgium and China.

The earnings per share amount to €4.75 over the year 2023, more information can be found in the Notes to the Company Financial Statements (note 31).

11 Minority interest

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

	31-12-2023	31-12-2022
At January 1	**87**	**98**
Result for the year	(47)	57
Change in share %	113	(72)
Dividends	44	(5)
Exchange differences	(59)	9
At December 31	**138**	**87**

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, 2023	**8,201**	**2,000**	**7,724**	**214**	**1,952**	**20,091**
Additions	356	1,220	1,536	112	1,230	4,454
Withdrawals	-	(1,159)	(473)	(300)	(33)	(1,965)
Reclassification	-	-	-	158	-	158
Deconsolidation	-	(2)	-	-	(57)	(59)
Remeasurement of defined benefit plan	2,555	-	-	-	-	2,555
Employer contributions	(2,542)	-	-	-	-	(2,542)
Release to profit & loss account	-	-	(549)	-	(1,839)	(2,388)
Exchange differences	178	7	(59)	40	(7)	159
At December 31, 2023	**8,748**	**2,066**	**8,179**	**224**	**1,246**	**20,463**

Of the provisions €18.5 million (2022: €18.7 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

Movements in assets and liabilities:

	31-12-2023			31-12-2022
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Total
At January 1	**55,351**	**47,150**	**8,201**	**17,363**
Included in income statement				
Interest	2,752	2,396	356	297
Included in equity				
Actuarial loss (gain) arising from:				
- Scheme experience	804	-	804	5,811
- Financial and demographic assumptions	525	-	525	(35,610)
Return on plan assets (excluding interest income)	-	(1,226)	1,226	21,253
Subtotal	**1,329**	**(1,226)**	**2,555**	**(8,546)**
Exchange differences	1,203	1,025	178	(913)
	2,532	**(201)**	**2,733**	**(9,459)**
Other				
Contributions paid by employer	-	2,542	(2,542)	-
Benefits paid	(3,077)	(3,077)	-	-
At December 31	**57,558**	**48,810**	**8,748**	**8,201**

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

Plan assets

Plan assets comprise of the following:

	31-12-2023		31-12-2022	
	amount	%	amount	%
Insured assets	831		1,012	
Index-linked bonds	11,970		8,772	
Pooled liability driven investment funds	13,967		12,076	
Total matching assets	**26,768**	**54.8%**	**21,860**	**46.4%**
United Kingdom equities	6,068		5,445	
Overseas equities	4,922		3,518	
Diversified growth funds	10,745		17,949	
Cash	307		(1,622)	
Total growth assets	**22,042**	**45.2%**	**25,290**	**53.6%**
Total invested assets	**48,810**	**100.0%**	**47,150**	**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 1.9% 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):

	31-12-2023	31-12-2022
Discount rate	4.8	5.0
Inflation (Retail Price Index)	3.1	3.1
Inflation (Customer Price Index)	2.9	2.8
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 13-year corporate bond index.

The mortality assumptions adopted at December 31, 2023 are:
- Males: 106% of the standard tables S3PMA_L;
- Females: 99% of S3PFA_L;
using the CMI_2022 improvement rate of 1.25% per annum.

These imply the following life expectancies at age 65 years:

	31-12-2023	31-12-2022
Longevity at age 65 for current pensioners		
Males	22.3	22.8
Females	24.4	24.8
Longevity at age 65 for current members aged 45		
Males	23.5	24.0
Females	25.8	26.2

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:

		31-12-2023	31-12-2022
Discount rate	Decrease of 0.1% per annum	1.4% increase	1.3% increase
Rate of inflation	Increase of 0.1% per annum	1.1% increase	0.9% increase
Rate of mortality	Increase life expectancy of 1 year	3.4% increase	3.3% increase

The average duration of the defined benefit obligation at the period ending at December 31, 2023 is 13 years (2022: 14 years).

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

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

Following the completion of the triennial valuation of the scheme as at October 31, 2021, it was agreed that HaskoningDHV UK Limited would pay a deficit reduction contribution for the coming three years, starting from 2023 of £2.2 million. Followed by annual contributions of £2.2 million between January 1, 2024 and February 28, 2030.

Restructuring

Restructuring costs include provisions for staff redundancy and costs due to onerous rental agreement buildings. The movements in 2023 are mostly related to the restructuring of the organisation to be more effective, efficient and thus more successful in the market.

Approximately €1.4 million (2022: €0.8 million) of the restructuring provision is due within one year.

Long-term employee benefits

This item mainly relates to future long-service awards in the Netherlands. The provision for long-service relates to payments to employees on the basis of years of service. The provision reflects the estimated amount of the long-service awards in the future. This provision amounts €3.2 million at the end of 2023.

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

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

- Discount rates: based on iBoxx AA classified European corporate bonds;
- Life expectancy: forecast table AG2023 with a correction for longevity based on income class.

In addition to existing provisions, a provision is in place in the Netherlands for ERD WGA (own risk carrier for work resumption of partially disabled persons) for €2.6 million (2022: €2.0 million).

Other provisions have been made for mandatory severance and disability schemes in several countries of operation. This provision amounts €2.4 million at the end of 2023.

This provision has a non-current nature; the Group expects to use approximately €7.6 million (2022: €7.3 million) after 2024.

Other provisions

Other provisions relate to the old age pension act (AOW) for employees that have been abroad for a longer period of time. The addition in other provisions is related to the carve-out of South Africa and the South African operation becoming independent. The release in other provisions is related to a tax provision for foreign operations and claims.

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, 2023	**2,828**
Transferred from current liabilities	2,782
Additions	2,768
Repayments	(2,779)
Exchange differences	26
Transferred to current liabilities	(4,609)
At December 31, 2023	**1,016**

Repayment obligations falling due within 12 months are included in current liabilities (note 14). This relates to an amount of €4.6 million (2022: €2.8 million) in Other long-term liabilities.

The Other long-term liabilities partly relate to future earn-out payments to acquired investments. These earn-out fees are payable after 2023 and will only be paid when agreed conditions have been met. The conditions are mainly related to operational results and revenue targets. All amounts are payable within 3 years.

The addition is related to the carve-out of South Africa and the South African operation becoming independent.

Banking facilities

Per December 31, 2023 the Group has unsecured guarantee facilities with two banks in the Netherlands of €25.0 million each.

The debt covenant for the multipurpose facility states that the leverage ratio must not exceed 2.0 at December 31, 2023. Per December 31, 2023 the leverage ratio (net debt/EBITDA) is -3.1.

Parallel to the guarantee facilities the Group has loan and guarantee facilities with banks in Mozambique (€1.0 million multi-purpose facility), India (€2.7 million combined loan and guarantee facility) and Vietnam (€1.1 million multi-purpose facility). In other countries the Group has guarantee facilities of €3.8 million.

In total the Group has €59.0 million loan- and guarantee facilities. Within these facilities €0.2 million can only be used for loans, €53.8 million only for guarantees, €4.0 million both for loans and guarantees and €1.0 million as credit card facility.

14 Current liabilities

	31-12-2023	31-12-2022
Amounts owed to credit institutions	30	267
Short-term part of non-current liabilities	4,609	2,782
Trade payables	33,201	31,893
Corporate income tax	4,852	1,461
Other taxes & social security charges	32,419	30,435
Holliday allowance	10,350	9,329
Amounts owed to participating interests	754	165
Pension premiums	4,379	3,950
Leave entitlements	10,530	9,933
Accrued expenses	9,599	11,193
Work in progress (see note 7)	92,757	98,013
Other short-term liabilities	28,259	19,581
	231,739	**219,002**

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.

The increase in short-term part of non-current liabilities mainly relates to the carve-out of South Africa and the South African operation becoming independent (see note 13).

Other taxes & social security charges include payroll taxes of €11.2 million (2022: €11.2 million) and VAT of €21.2 million (2022: €19.3 million).

Included in accrued expenses are accruals for accommodation, ICT costs and project related costs of €4.0 million (2022: €5.1 million), staff related accruals of €2.3 million (2022: €2.1 million) and other of €3.3 million (2022: €4.0 million).

Other short-term liabilities includes accruals for variable pay of €20.6 million (2022: €15.6 million). The increase in accruals for variable pay 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 €339.1 million (2022: €318.7 million), consisting of trade receivables (€127.0 million excluding the provision for bad debts (2022: €135.6 million)), other receivables (€31.6 million (2022: €36.4 million)) and cash (€180.5 million (2022: €146.7 million)). The credit risk is concentrated at a large number of counterparties, the highest receivable amounts to €2.9 million (2022: €2.8 million).

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% (2022: 52%) 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 €11.7 million (2022: €13.1 million).

Currency risk

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

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

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

	31-12-2023		31-12-2022	
	Estimated fair value	Contract value / projected principal amounts	Estimated fair value	Contract value / projected principal amounts
EUR / USD	54	9,263	354	9,233
GBP / USD	63	4,855	74	1,560
EUR / KWD	47	4,655	124	6,052
EUR / TWD	47	3,616	230	4,351
EUR / SAR	12	2,954	155	2,731
GBP / AUD	2	842	-	781
EUR / CNY	(3)	446	27	704
EUR / AED	-	194	22	1,078
GBP / INR	6	166	-	-
EUR / INR	(1)	53	38	751
EUR / AUD	8	8	-	-
EUR / VND	-	-	(50)	1,546
Other	(68)	4,349	47	694
	167	**31,401**	**1,021**	**29,481**

Most contracts expire in the coming year.

Liquidity risk

Management ensures that sufficient balances are available for a minimum of €36.8 million (for 2023) 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

	31-12-2023				31-12-2022
	Less than 1 year	Between 1 and 5 years	More than 5 years	Total	Total
Equipment / utilities	32	37	-	69	109
Buildings rental / lease	13,817	19,486	7,408	40,711	50,081
Car lease	5,075	4,800	290	10,165	9,486
ICT lease	2,947	1,538	-	4,485	17,285
	21,871	**25,861**	**7,698**	**55,430**	**76,961**

In 2023, the commitments ensuing from this recognised in the profit and loss account amounted to €29.5 million (2022: €30.2 million).

Contingent liabilities

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

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

In 2019 the Group decided to move to a new office in Delft, replacing the existing offices in Rotterdam and the Hague, which have rental contracts in place till 2024. In 2020 the Group signed a contract with Technische Universiteit Delft to acquire the Mijnbouwstraat 120 building in Delft. Delivery date of the property was April 22, 2022.
The Group has developed a plan/design to renovate Mijnbouw and in July 2021 the Group contracted SPIE to realise the renovation. The renovation started in May 2022 and is planned to be finalised in 2024.
We expect to spend another € 34.4 million on the property and spending attributable to the tenant of which € 26.3 million will qualify for capitalisation. Compared to last year the estimated spendings have increased. This increase has been caused by, among others, increased material prices (steel and wood) and variation orders with SPIE.

At December 31, 2023 the Group had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €23.3 million (2022: €30.7 million).

Counter guarantees in favour of the Group have been received for a value of €0.5 million (2022: €0.5 million).

Tax group liabilities

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

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

Contingencies

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

Share Plan

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

Pensions

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

17 Net turnover

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

	2023	2022
the Netherlands	400,074	361,341
Europe (excl. NL)	154,161	142,806
Asia Pacific	90,397	96,085
Africa and Middle East	64,856	65,938
Americas	26,814	32,640
	736,302	**698,810**

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

	2023	2022
Water & Maritime	236,948	199,294
Mobility & Infrastructure	228,184	214,119
Industry & Buildings	224,700	229,759
Digital	26,541	27,957
Southern Africa	19,929	27,681
	736,302	**698,810**

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

	2023	2022
Engineering, Design & Consultancy	709,363	673,965
Software licenses	14,777	14,532
Technology licenses	12,162	10,313
	736,302	**698,810**

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

18 Employee benefits

	2023	2022
Salaries and wages	338,278	323,826
Social security charges	43,507	39,923
Pension charges	39,706	37,340
	421,491	**401,089**

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	2023	2022
M.E. Hulshof (CEO, appointed April 4, 2023)	506	93	303	21	923	243
E. Oostwegel (CCO, appointed April 4, 2023)	505	93	303	21	922	758
J. de Wit (CFO)	420	75	252	21	768	585
					2,613	**1,586**

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board 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:	2023	2022
P.M.M. Blauwhoff (Chairman)	55	54
L.I. van den Broek (appointed on April 4, 2023)	32	-
A.M. Paulussen-Hoogakker (resigned on April 4, 2023)	10	41
F.C.M. Roelofsen-van Dierendonck	44	42
D.A. Sperling	47	45
J.S.T. Tiemstra (resigned on March 31, 2022)	-	11
R. Zandbergen (appointed on March 31, 2022)	46	34
	234	**227**

20 Other operating expenses

	2023	2022
Temporary staff	25,729	24,805
Office expenses	34,087	34,384
Travel and accommodation	20,063	17,459
Occupancy expenses	19,403	19,466
Work by third parties	10,438	10,382
Additional personnel expenses	9,081	9,218
Other operating expenses	8,587	7,213
Restructuring costs and other one-off items	9,147	1,399
	136,535	**124,326**

Restructuring costs and other one-off items include costs for the carve-out of South Africa and the South African operation becoming independent, divestment of H2i (see note 25), provisions for staff redundancy and an addition to the provision for onerous lease contracts.

Included in other operating expenses is a gain on exchange differences of €0.7 million (2022: loss of €0.0 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:

	2023			2022
	PricewaterhouseCoopers Accountants N.V.	Other PwC network	Total	Total
Audit of the financial statements	400	110	510	492
Tax-related advisory services	43	7	50	230
Other non-audit services	45	3	48	47
	488	**120**	**608**	**769**

The fees mentioned in the table for the audit of the financial statements 2023 (2022) relate to the total fees for the audit of the financial statements 2023 (2022), irrespective of whether the activities have been performed during the financial year 2023 (2022).

21 Corporate income tax

The major components of the tax expense are as follows:

	2023	2022
Tax liability for current financial year	13,207	7,525
Movement in temporary differences	-	(304)
Adjustment in valuation of deductible losses	998	(298)
Adjustment for prior periods	(1,173)	(311)
Other adjustments	(2,170)	(374)
Tax expense	**10,862**	**6,238**

The applicable weighted average tax rate is 24.1% (2022: 24.7%), 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 2023 amounts to €10.9 million, or 30.5% (2022: 31.1%) 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:

	2023		2022	
Result before tax (incl. share of result of participating interests)	35,604		20,028	
Statutory tax rate NL	9,186	25.8%	5,167	25.8%
Changes related to:				
Utilisation of previously reserved loss carry-forwards	(115)	(0.3%)	(388)	(1.9%)
New loss carry-forwards not expected to be realised	1,113	3.1%	90	0.4%
Non tax deductible goodwill amortisation	1,633	4.6%	1,330	6.6%
Non taxable income	(436)	(1.2%)	(295)	(1.5%)
Non tax deductible expenses	2,621	7.4%	953	4.8%
Withholding and foreign taxes	203	0.6%	316	1.6%
Tax rate differences	(614)	(1.7%)	(215)	(1.1%)
Prior year tax results	(1,173)	(3.3%)	(311)	(1.6%)
Addition (releases) of other tax liabilities	(642)	(1.8%)	(154)	(0.8%)
Tax effects on OCI entries	-	-	(62)	(0.3%)
Rate changes	-	-	58	0.3%
Tax incentives and other	(914)	(2.6%)	(251)	(1.3%)
Effective tax rate	**10,862**	**30.5%**	**6,238**	**31.1%**

New loss carry-forwards not expected to be realised:
Some of the deconsolidated entities have been loss making in 2023. As we can't offset these losses in the future, we have not taken into account a corresponding tax benefit.

Prior year tax results:
This mainly relates to the difference between the accrued position for 2021 and the filed 2021 CIT return for the fiscal unity in the Netherlands.

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 2023 on average 5,613 (2022: 5,382) 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:

	31-12-2023	31-12-2022
the Netherlands	3,611	3,513
Asia Pacific	857	760
Europe (excl. NL)	760	776
Africa and Middle East	386	421
Americas	61	81
	5,675	**5,551**

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

	31-12-2023	31-12-2022
Water & Maritime	1,817	1,553
Mobility & Infrastructure	1,467	1,449
Industry & Buildings	1,346	1,426
Southern Africa	291	325
Digital	266	276
Corporate Groups	488	522
	5,675	**5,551**

23 Changes in consolidated investments

The following investments and divestments were made in 2023:

	Country	Holding at 31-12-2022	Acquired / divested	Holding at 31-12-2023
Divestments:				
InterVISTAS Consulting Inc.	Canada	100.00%	(100.00%)	-
InterVISTAS Consulting Inc.	United States of America	100.00%	(100.00%)	-
Change in ownership %:				
Stewart Scott International Holdings Pty Ltd.	South Africa	76.95%	23.05%	100.00%
Royal HaskoningDHV (Pty) Ltd.	South Africa	76.95%	(50.95%)	26.00%
Steward Scott Investments (Pty) Ltd.	South Africa	76.95%	(50.95%)	26.00%
ManCon Projects (Pty) Ltd.	South Africa	76.95%	(50.95%)	26.00%
HaskoningDHV Botswana (Pty) Ltd.	Botswana	76.95%	(50.95%)	26.00%

	Country	Holding at 31-12-2022	Acquired / divested	Holding at 31-12-2023
Mergers:				
Districon Groep B.V. with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-
Districon Solutions B.V. with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-
Districon B.V. (Advisory) with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-
Districon Professionals B.V. with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-
Districon International B.V. with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-
Ynformed B.V. with HaskoningDHV Nederland B.V.	The Netherlands	100.0%	(100.0%)	-

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

Early 2024 we divested our participation in Hydroinformatics Institute Ltd. (H2i). The divestment has an effective date as per January 1, 2024. The divestment includes a sale and transfer of several consultancy projects and the transfer of related staff to Haskoning Singapore Pte Ltd., to be effectuated in 2024. The divestment of our participation in H2i has an immaterial impact on both equity and result of the company.

Financial Report

Company Financial Statements

Company Balance Sheet at December 31, 2023

Before profit appropriation *€ thousands*

Assets	Note	31-12-2023	31-12-2022
Fixed assets			
Intangible fixed assets	27	417	602
Financial fixed assets	28	178,295	146,956
		178,712	**147,558**
Current assets			
Receivables	29	14,217	25,207
Cash and cash equivalents	30	48,786	41,838
		63,003	**67,045**
Total assets		**241,715**	**214,603**

Shareholders' equity & liabilities	Note	31-12-2023	31-12-2022
Shareholders' equity			
Issued share capital		5,220	5,155
Share premium		7,844	5,203
Foreign currency translation reserve		(9,076)	(9,243)
Legal and statutory reserves		10,017	9,452
Other reserves		196,971	188,422
Unappropriated result		22,518	13,247
Subtotal	31	**233,494**	**212,236**
Liabilities			
Provisions	32	1,057	1,132
Non-current liabilities	33	554	-
Current liabilities	34	6,610	1,235
Total Shareholders' equity & liabilities		**241,715**	**214,603**

Company Income Statement for the year 2023

€ thousands

	Note	2023	2022
Share of result of participating interests after tax		26,100	17,427
Company result after tax		(3,582)	(4,180)
Net result		**22,518**	**13,247**

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 2023 of Koninklijke HaskoningDHV Groep B.V. is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Art. 2:360 part 1, of the Dutch Civil Code.

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

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

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

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

The number of employees per end of year was 3 (2022: 3). All employees are located in the Netherlands.

27 Intangible fixed assets

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

	Goodwill
At January 1, 2023	
Cost	11,477
Accumulated amortisation and impairment	(10,875)
Carrying amount	**602**
Movements	
Amortisation	(185)
Subtotal	**(185)**
At December 31, 2023	
Cost	11,477
Accumulated amortisation and impairment	(11,060)
Carrying amount	**417**
Amortisation rate in %	5 - 20

At each balance sheet date, the Group tests whether there are any indicators of intangible assets being subject to impairment. If any such indicators exist, the Group carries out impairment tests on capitalised goodwill, based on the estimated cash flows of the related cash generating unit (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 based on their value in use. Determination of the value in use is performed by using estimated future cash flows based on historical performance and expected future market developments, budget 2024 and further financial projections for four or seven years, depending on the business profile of the CGU. Cash flows after five or eight years, depending on the business profile of the CGU, are extrapolated by a perpetual growth rate to calculate the terminal value.

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

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

28 Financial fixed assets

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

	Participating interests in group companies	Loans to participating interests	Loans to non-group companies	Deferred income tax assets	Other financial fixed assets	Total
At January 1, 2023	**125,340**	**21,461**	**-**	**155**	**-**	**146,956**
Investments / additions	80	12,300	989	-	450	13,819
Repayments / utilisation	-	(4,148)	-	(155)	(210)	(4,513)
Deconsolidated	(676)	-	-	-	-	(676)
Share of result in participating interests	26,100	-	-	-	-	26,100
Reclassification	(527)	558	-	-	-	31
Exchange differences	(1,425)	11	-	-	-	(1,414)
Dividends	(92)	-	-	-	-	(92)
Other movements	(1,916)	-	-	-	-	(1,916)
At December 31, 2023	**146,884**	**30,182**	**989**	**-**	**240**	**178,295**

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

Participating interests

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

In the other movements the remeasurement of the United Kingdom pension fund is included (-€1.9 million (2022: +€6.4 million)).

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

Loans to participating interests

Receivables from participating interests includes loans to:

- RHDHV Mijnbouw Delft B.V. of €22.3 million (2022: €10.9 million), bearing €STR + 1.25% interest;
- HaskoningDHV UK Holdings Ltd. of €3.4 million (2022: €3.3 million), bearing SONIA + 2.0% interest;
- Haskoning International B.V. of €2.1 million (2022: €1.1 million), bearing €STR + 2.0% interest;
- HaskoningDHV Consulting Pvt. Ltd. of €2.0 million (2022: €2.2 million), bearing Base Lending Rate + 2.0% interest;
- InterVISTAS Holding Inc. (HaskoningDHV Canada Holding Inc.) of €0.3 million (2022: €0.7 million), bearing Canadian Prime Rate + 2.0% interest;
- Lanner Inc. of €0.1 million (2022: €0.4 million), bearing SOFR + 3.0% 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 €1.4 million (2022: €0.7 million).

Loans to non-group companies

The addition is related to Royal HaskoningDHV Pty.Ltd. becoming a local company, majority owned by management and employees. This will provide the flexibility and independence it needs to pursue profitable markets that are outside the strategy of our global operation. We have therefore deconsolidated our South African operation as of December 31, 2023 (see note1.3).

29 Receivables

	31-12-2023	31-12-2022
Amounts owed from group companies / subsidiaries	11,277	4,669
Loans owed from participating interests	2,770	17,380
Corporate income tax	-	3,116
Other receivables, prepayments and accrued income	170	42
	14,217	**25,207**

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

Loans owed from participating interests includes loans to:

- Hydroinformatics Institute Pte. Ltd. of €1.8 million (2022: €0.7 million), bearing SORA + 5.0%;
- HaskoningDHV Polska Sp. z o.o. of €0.5 million (2022: €1.1 million), bearing 1m WIBOR + 1.5%;
- Districon Solutions North America LLC of €0.4 million (2022: €0.3 million), bearing SOFR + 2.0%;
- HaskoningDHV Nederland B.V. of €0.1 million (2022: €15.0 million), bearing SOFR + 2.5%.

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

The interest income on loans owed from participating interests amounted to €0.3 million (2022: €0.2 million).

30 Cash and cash equivalents

The cash and cash equivalents include an amount of €10.0 million parked on an escrow account. This is related to the South African operation becoming independent. This amount is not immediately accessible. The amount was released again in January 2024.

The cash and cash equivalents balance include deposits of €26.0 million (2022: €36.0 million), with a maximum term of maturity of 12 months. These deposits are not immediately accessible.

31 Shareholders' equity

The authorised and issued share capital amounts to €5,219,858, 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.

numbers

	31-12-2023		31-12-2022	
	A shares	B shares	A shares	B shares
Stichting HaskoningDHV	4,717,359	-	4,717,359	-
Stichting Adminstratiekantoor HaskoningDHV	-	502,499	-	437,727
Koninklijke HaskoningDHV Groep B.V.	-	-	-	-
	4,717,359	**502,499**	**4,717,359**	**437,727**

During the annual trade rounds in May and October 2023 the Trust Office sold a balance of 64,772 DRs to employees (96,981 DRs sold and 32,209 DRs purchased).

Subject to adoption of the financial statements 2023 by the Annual General Meeting, the price will rise by 9.0% to €45.53 per B class share. Including the proposed dividend of €4.75 per B class share the total return for the DR holders is 20.4%.

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

numbers

	31-12-2023	31-12-2022
Balance at January 1	437,727	385,496
Trade round (bought)	96,981	84,213
Sold	(32,209)	(31,982)
Balance at December 31	**502,499**	**437,727**

Statement of changes in shareholders' equity

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

2023	Issued share capital	Share premium	Foreign currency translation reserve	Legal and statutory reserves	Other reserves	Unappro-priated result	Total
At January 1	**5,155**	**5,203**	**(9,243)**	**9,452**	**188,422**	**13,247**	**212,236**
Movements							
Legal and statutory reserves	-	-	-	565	(565)	-	-
Reclassification	-	-	1,581	-	(1,581)	-	-
Exchange differences	-	-	(1,414)	-	-	-	(1,414)
Unappropriated result	-	-	-	-	-	22,518	22,518
Transfer result last year to other reserves	-	-	-	-	13,247	(13,247)	-
Shares issued	65	2,641	-	-	-	-	2,706
Own shares sold / (repurchased)	-	-	-	-	-	-	-
Dividend	-	-	-	-	(636)	-	(636)
Other movements in reserves	-	-	-	-	(1,916)	-	(1,916)
Subtotal	**65**	**2,641**	**167**	**565**	**8,549**	**9,271**	**21,258**
At December 31	**5,220**	**7,844**	**(9,076)**	**10,017**	**196,971**	**22,518**	**233,494**

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

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

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

	31-12-2023	31-12-2022
Equity Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	233,494	212,236
Equity DHV Education Foundation	-	(2,493)
Equity Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**233,494**	**209,743**

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

	2023	2022
Result Koninklijke HaskoningDHV Groep B.V. (following the company financial statements)	22,518	13,247
Result DHV Education Foundation	2,271	486
Result Koninklijke HaskoningDHV Groep BV (following the consolidated financial statements)	**24,789**	**13,733**

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. DHV Education Foundation will be dissolved in 2024.

Foreign currency translation reserve

Exchange gains and losses arising from the translation of foreign operations from functional to reporting currency are accounted for in this statutory reserve. The foreign translation reserve of €9.1 million includes a.o. investments in South Africa and Turkey.

Legal and Statutory reserves

The legal reserve for participating interests which amounts €2.8 million (2022: €3.0 million) pertains to participating interests that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the Company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

A legal reserve has been formed for capitalised development costs of €6.9 million (2022: €6.2 million). The reserves required under the articles of association (€0.3 million) (2022: €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 2023, the Executive Board proposes that a dividend of €4.75 per B class share will be distributed to holders of B class shares, representing a value of €2,386,870. Due to the depositary receipts Rules and Regulations this dividend will be distributed to the depositary receipt holders on a one-to-one basis.

The Executive Board proposes that no dividend will be distributed to the A class shares (see also Dividend per share). The remaining profit of €22,402,130 will be added to the other reserves.

	31-12-2023			31-12-2022		
	Stichting HaskoningDHV A shares	Stichting Adminstratie-kantoor HaskoningDHV B shares	Total	Stichting HaskoningDHV A shares	Stichting Adminstratie-kantoor HaskoningDHV B shares	Total
Number of shares per year-end	4,717,359	502,499	5,219,858	4,717,359	437,727	5,155,086
Earnings						
Allocation of net result over shares in €	22,402,130	2,386,870	24,789,000	12,568,646	1,164,354	13,733,000
Earnings per share in €	4.75	4.75	4.75	2.66	2.66	2.66
Dividend on shares						
Dividend on B shares: 100% of net result in €*		2,386,870			582,177	
Dividend per share in €		4.75			1.33	

** In 2022 dividend on B shares was 50% of net result in €*

32 Provisions

Movements in provisions can be broken down as follows:

	Long-term employee benefits	Other provisions	Total
At January 1, 2023	**32**	**1,100**	**1,132**
Additions	2	1,023	1,025
Release to profit & loss account	-	(1,100)	(1,100)
At December 31, 2023	**34**	**1,023**	**1,057**

All provisions qualify as long-term (in effect for more than one year).

Long-term employee benefits

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

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

Other provisions

The release in other provisions is related to a tax provision for foreign operations. The addition is related to the carve-out of South Africa and the South African operation becoming independent.

The expected utilisation period of this provision is between one and five years.

33 Non-current liabilities

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

	Other long-term liabilities
At January 1, 2023	**-**
Transferred from current liabilities	-
Additions	2,768
Transferred to current liabilities	(2,214)
At December 31, 2023	**554**

Repayment obligations falling due within 12 months are included in current liabilities (note 34). This relates to an amount of €2.2 million (2022: €0.0 million) in Other long-term liabilities.

The addition is related to the carve-out of South Africa and the South African operation becoming independent.

34 Current liabilities

	31-12-2023	31-12-2022
Short term portion of non-current liabilities	2,214	-
Amounts owed to group companies / subsidiaries	190	85
Corporate income tax	2,147	-
Other taxes & social security contributions	80	73
Other debts, accruals and deferred income	1,979	1,077
	6,610	**1,235**

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.

35 Commitments and contingencies not included in the balance sheet

At December 31, 2023 the company had contingent liabilities in respect of guarantees provided to third parties in the ordinary course of business to the value of €7.1 million (2022: €7.3 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.

36 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.

37 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 14, 2024

Executive Board

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

Supervisory Board

P.M.M. (Peter) Blauwhoff (Chair)
L.I. (Louisa) van den Broek
F.C.M. (Francine) Roelofsen-van Dierendonck
D.A. (Daan) Sperling (Vice-Chair)
R. (Rob) Zandbergen

Other Information

Independent Auditor's Report

Independent Auditor's Report

To: the general meeting and the supervisory board of Koninklijke HaskoningDHV Groep B.V.

Report on the audit of the financial statements 2023

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 2023, 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 2023 of Koninklijke HaskoningDHV Groep B.V., Amersfoort. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet at December 31, 2023;
- the consolidated and company income statement for the year 2023; and
- the notes, comprising a summary of the accounting policies applied 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).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Koninklijke HaskoningDHV Groep B.V. and its environment and the components of the internal control system. This included the executive board's risk assessment process, the executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section 'Business Ethics' and 'Risk Management' of the executive board report for executive board's risk assessment and section 'Supervisory Board Meetings' of the supervisory board report in which the supervisory board reflects on this risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, agent and sponsors policy, anti-bribery and corruption policy, ethical incident registration and investigation protocols, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the executive board as well as the internal audit department, legal affairs, compliance department and the audit committee of the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks

The risk of management override of controls

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

That is why, in all our audits, we pay attention to the risk of management override of controls in:

- The appropriateness of journal entries and other adjustments made in the preparation of the financial statements.
- Estimates.
- Significant transactions, if any, outside the normal course of business for the entity.

We pay particular attention to tendencies due to possible interests of executive board and executive council.

Our audit work and observations

We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries, making estimates and monitoring projects.
We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of the segregation of duties.

We performed our audit procedures primarily substantively.

We performed journal entry testing based on risk criteria relating to unusual account combinations for revenues and potential shifting of costs and unexpected users. Based on the output generated, we have conducted specific audit procedures for these entries. These procedures include, amongst others, assessing the background of entries and inspection of the entries to source documentation.

We also paid particular attention to consolidation and elimination entries, focusing on testing entries that affect revenue and results in this fiscal year.

We did not identify any significant transactions outside the normal course of business except for the divestment of the business line Southern Africa. We have audited the accounting of the divestment in 2023.

We also performed specific audit procedures related to significant estimates, including goodwill impairment, pensions liabilities, accounts receivables and work in progress balances.
We specifically paid attention to the inherent risk of bias in estimates.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

Identified fraud risks

The risk of fraudulent financial reporting due to an overstated valuation of construction contracts.

The company's primary activity is design, engineering and consulting of long-term projects/contracts which are spread over multiple years - some of which are expected to be profitable and some of which are expected to lead to losses.

The bonus incentive scheme for higher management is partly based on financial results, the amount of which depends on the financial results achieved amongst other KPIs. This could potentially lead to pressure to:

- improve project results by decreasing the estimated cost to complete in the project forecast; and
- overstate revenue by entering fictitious revenue (this risk relates to all revenue streams).

Our audit work and observations

We evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to making estimates and the monitoring of projects.

We performed our audit procedures in a mix of controls and substantive procedures.

We performed substantive audit procedures on management's estimate of the cost to complete. We performed an analysis by comparing the latest project forecasts with the project budgets and the estimates from previous periods. We also compared the actual costs to the forecasts. We performed additional audit procedures for projects with unexpected outcomes. In addition, we performed a retrospective assessment of the quality of the estimates made by RHDHV in completed projects.

We performed substantive audit procedures to assess the revenue included in the forecasts by examining the agreements, including additional work, signed by the client.

We also performed journal entry testing based on risk criteria relating to unusual account combinations for revenues and conducted specific audit procedures for these entries. These procedures include, amongst others, inspection of the entries to source documentation.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud.

Identified fraud risks

The risk of paying bribes by and at the initiative of agents and/or sponsors

The company uses agents and sponsors for some international projects. These agents and sponsors assist in the effective operational running of the projects in the respective territories.

These agents and sponsors are majorly established in countries with a higher risk of corruption based on the Corruption Perception Index of Transparency International. Therefore, we paid particular attention to the risk of the payment of bribes by and at the initiative of agents or sponsors in transactions concluded using agents or sponsors.

Our audit work and observations

We evaluated the design and implementation of the internal control system and assessed the effectiveness of relevant controls in the processes related to entering into contracts with agents and sponsors and the monitoring and reviewing of the work performed by agents and sponsors.

We have reviewed the contracts with agents and sponsors and analysed the commissions paid to these agents and sponsors. For each party we determined whether:

- A background investigation (third-party assessment) was conducted for new agents or sponsors, who conducted this background investigation, the depth of this investigation, and whether the outcomes of this investigation are assessed before a contract is signed.
- Contracts have been signed by an appropriate official.
- The agreed commission is calculated correctly and paid correctly to a bank account held by the agent or sponsor.
- The agreed commission is proportionate to the work performed by the agent or sponsor based on a benchmark of the commission percentage used in the industry and at the company.

Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to paying bribes by and at the initiative of agents.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The executive board performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks).

Our procedures to evaluate the executive board's going concern assessment included, amongst others:

- considering whether the executive board's going concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the executive board regarding the executive board's most important assumptions underlying its going concern assessment. Amongst others, the executive board took into consideration the cash and bank balances available to the company;
- evaluating the executive board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry such as the increase in interest rates, the uncertainty in the geopolitical environment and the availability of sufficient talented and motivated staff and all relevant information of which we were aware as a result of our audit;
- analysing compliance with relevant covenants;
- performing inquiries of the executive board as to its knowledge of going-concern risks beyond the period of the executive board's assessment.

Based on our procedures performed, we concluded that the executive board's use of the going concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Report on the other information included in the annual report 2023

The annual report 2023 contains other information. This includes all information in the annual report 2023 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; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of 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 introduction by our CEO, key figures, our company, executive board report, supervisory board report, appendix 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.

In preparing 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, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. 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.

Zwolle, March 14, 2024

PricewaterhouseCoopers Accountants N.V.

F.S. van der Ploeg RA

Appendix to our auditor's report on the financial statements 2023 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.

Appendix

Appendix

Leadership information

Supervisory Board

End 2023 the Supervisory Board consisted of:

Peter Blauwhoff	Louisa van den Broek	Francine Roelofsen-van Dierendonck	Daan Sperling	Rob Zandbergen
Chair of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board	Vice Chair of the Supervisory Board	Member of the Supervisory Board
Member Remuneration and Appointment Committee	Member Remuneration and Appointment Committee	Chair Remuneration and Appointment Committee	Member Audit Committee	Chair Audit Committee
Member since: 2015	Member since: 2023	Member since: 2020	Member since: 2019	Member since: 2022
Term ends: 2024	Term ends: 2027	Term ends: 2024	Term ends: 2027	Term ends: 2026
Nationality: Dutch	Nationality: Dutch	Nationality: Dutch	Nationality: Dutch	Nationality: Dutch
Born in: 1953	Born in: 1979	Born in: 1976	Born in: 1955	Born in: 1958

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

Executive Board

End 2023 the Executive Board consisted of:

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

More information about the Executive Board portfolio and regulations can be found on our website.

Participating Interests

Group companies

The following is a list of the main consolidated participating interests of Koninklijke HaskoningDHV Groep B.V., Amersfoort, the Netherlands (unless stated otherwise, all interests are 100%):

HaskoningDHV Nederland B.V.,	Amersfoort, the Netherlands
DHV Global Engineering Center B.V.,	Amersfoort, the Netherlands
DHV NPC B.V.,	Amersfoort, the Netherlands
HaskoningDHV Asset Management B.V.,	Amersfoort, the Netherlands
Novius Adviesgroep voor Informatie & Organisatie B.V.,	Maarssen, the Netherlands
RHDHV Mijnbouw Delft B.V.,	Amersfoort, the Netherlands
Stewart Scott International Holdings 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
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
Lanner Group SARL,	Courbevoie, France
Haskoning Libya JSC,	Tripoli, Libya (80%)
HaskoningDHV (Malaysia) Sdn Bhd.,	Kuala Lumpur, Malaysia
Royal Haskoning Consulting (Shanghai) Co. Ltd.,	Shanghai, China
Haskoning Singapore Pte. Ltd.,	Vista, Singapore
Haskoning Australia Pty Ltd.,	Sydney, Australia
HaskoningDHV Nigeria Ltd.,	Abuja, Nigeria (88%)
HaskoningDHV Vietnam Co. Ltd.,	Ho Chi Minh City, Vietnam
HaskoningDHV TR Mühendislik A.S.,	Istanbul, Turkey
Haskoning Philippines Inc.,	Manila, Philippines
HaskoningDHV Ireland Ltd.,	Dublin, Ireland
Haskoning International Engineering Consultancy LLC,	Muscat, Oman
Hydroinformatics Institute PTE. Ltd. (H2i),	Singapore, Singapore (75.02%)
Pluvia PTE. Ltd.,	Singapore, Singapore (8.56%)
HaskoningDHV Participations I B.V.,	Amersfoort, the Netherlands
HaskoningDHV Belgium N.V.,	De Pinte, Belgium
HaskoningDHV Consulting Private Ltd.,	New Delhi, India
DHV Polska Sp. z.o.o.,	Warsaw, Poland
HaskoningDHV Polska Sp. z o.o.,	Warsaw, Poland
HaskoningDHV Moçambique, Lda.,	Maputo, Mozambique

InterVISTAS Holding Inc.,*	Vancouver, Canada
HaskoningDHV USA Inc.,	Wilmington, Delaware, United States of America
Lanner Inc.,	Houston, Texas, United States of America
Districon Solutions North America LLC,	Evanston, Illinois, United States of America

Besides the companies in the countries as listed above, the Group has the following branch offices:

HaskoningDHV Nederland Abu Dhabi	United Arab Emirates
HaskoningDHV Nederland Aruba	Aruba
HaskoningDHV Nederland Bangladesh	Bangladesh
HaskoningDHV Nederland Denmark	Denmark
HaskoningDHV Nederland Dubai	United Arab Emirates
HaskoningDHV Nederland Germany	Germany
HaskoningDHV Nederland Israel	Israel
HaskoningDHV Nederland Jordan (Acaba)	Jordan
HaskoningDHV Nederland Jordan (Amman)	Jordan
HaskoningDHV Nederland Luxembourg	Luxembourg
HaskoningDHV Nederland Peru	Peru
HaskoningDHV Nederland Spain	Spain
HaskoningDHV Nederland St Maarten	St. Maarten
HaskoningDHV Nederland Taiwan - NACO Branch	Taiwan

** In process of renaming to: HaskoningDHV Canada Holding Inc.*

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%)
THV Sturino,	Mechelen, Belgium (61%-55%)
THV HaskoningDHV - Wiegerinck - Talboom,	Mechelen, Belgium (50%)

Other non-group companies

Chuchawal – Royal Haskoning Ltd.,	Bangkok, Thailand (48.95%)
Design 103 International Ltd.,	Bangkok, Thailand (48.98%)
HaskoningDHV Saudia Engineering Consultancy LLC,	Jeddah, Saudi Arabia (49%)
Team van Oord Ltd.,	Newbury, United Kingdom (15%)
Shaded Dome Technologies B.V.,	Amsterdam, the Netherlands (33.3%)
HAL24K B.V.,	Amsterdam, the Netherlands (12.5%)
Pluvia PTE. Ltd.,	Singapore, Singapore (19.24%)
Soilco Material Investigations (Pty) Ltd.,	Durban, South Africa (20.32%)
NEXT HaskoningDHV Switzerland AG,	Zurich, Switzerland (49%)
Studio IN-EX Zrt.,	Budapest, Hungary (20%)
Royal HaskoningDHV (Pty) Ltd.,	Johannesburg, South Africa (26%)

Shareholding Structure

Shareholding structure

Koninklijke HaskoningDHV Groep B.V. has two shareholders: the Stichting ("the Foundation") HaskoningDHV and the Stichting Administratiekantoor HaskoningDHV (“the Trust Office”), which was incorporated by demerger from the Stichting HaskoningDHV. Stichting HaskoningDHV holds all A-shares (being min. 75.5% of the entire issued share capital) and the Trust Office that holds the B-shares (max. 24.5% of the entire issued share capital) equal to the issued certificates. The B-shares allow for the issue of certificates (the depository receipts) to eligible HaskoningDHV staff. The Board of the foundation exists of five members. One member has been appointed by (not out of) the Supervisory Board, the Executive Board and the combined Works Councils respectively. One member has been appointed by and out of the depositary receipts holders (candidate must meet certain qualifications). The fifth member is the Board’s chair and is an independent external individual appointed by the four other members.

Stichting HaskoningDHV ("the Foundation")

The Foundation holds and manages all so-called A-shares (being at least 75.5% of the entire issued share capital) in Koninklijke HaskoningDHV Groep B.V., and has as aim the long-term continuity and sustainable value creation of the company all in accordance with the relevant corporate governance regulations.

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

Composition of the Board

I. Brakman (Chair)
J. Bout
R. Brouwer
M. Doornekamp
K. Poels

Stichting Administratiekantoor HaskoningDHV ("the Trust Office")

The scope of the Trust Office is to manage the B-shares (representing at most 24.5% of the entire issued share capital) in Koninklijke HaskoningDHV Groep B.V., and to issue and administer the depositary receipts for shares issued to eligible HaskoningDHV staff members. Its Board currently consists of three members. The next Board of the Trust Office will be appointed out of and by the depositary receipt holders.

This foundation currently holds 502,499 B-shares.

Composition of the Board:

E.Th. Holleman (Chair)
D.J. Andriesse
J.A.M. Leeuwis - Tolboom

Glossary

TERM / ABBREVIATION	DEFINITION
Added value	Operating income less cost of work subcontracted and other external expenses
Audit Committee	The Audit Committee (AC) is a standing committee of the Supervisory Board (SB) that supports the SB in discharging its responsibilities and preparing for decisions, mainly with respect to internal risk management and control systems, financial information and communication with the internal audit and external auditor.
BIM	Building Information Modelling
CEO	Chief Executive Officer
CCO	Chief Commercial Officer
CFO	Chief Financial Officer
CIMS	Compliance Integrity Management System
CSR	Corporate Social Responsibility; the responsibility of a company towards society, the environment and the economy
CSRD	The Corporate Sustainability Reporting Directive (CSRD), is a piece of EU legislation that establishes environmental, social, and governance (ESG) reporting requirements for organisations.
Days Sales Outstanding (DSO)	(Debtors + WIP + Billed in advance) / (Rolling net turnover + Billed in advance) * 365 days. Debtors include trade and non-group debtors, excluding provision bad debt. WIP includes accrued and deferred revenues plus payments in advance, excluding provision project losses. Billed in advance is the amount invoiced in advance for subscriptions.
EBITA recurring	EBITA excluding non-operational items
EBITA margin	EBITA recurring / Operating income
ED&I	Equality, Diversity & Inclusion
Employees	People employed directly by Royal HaskoningDHV or one of our subsidiaries
Employee turnover	The percentage of employees who left the company
EPCM	Engineering, procurement, and construction management projects
EST	Enhancing Society Together, our purpose
ET Academy	Energy Transition academy
Executive Board	Highest executive body for the daily management of the company
Free cash flow	Cash flow from operating and investing activities
GHG	Greenhouse gasses
Global Leadership Group	The Global Leadership Group consists of the Executive Board, Executive Council, Corporate Directors, Business Line MT members, Directors Advisory Groups and Associate Directors Advisory Groups, Leading Professionals, Corporate Group MT members, direct reports of Executive Board, chairs of YoungRHDHV Boards, and chair of the Works Council in the Netherlands.
GRI	Global Reporting Initiative, international organisation that publishes standards for sustainability reporting
IMS	Integrated Management System
Integrated Report (IR)	Annual report format that integrates general, financial, environmental, and social performance
Net Turnover	Amounts invoiced to clients (excluding VAT), including change in work in progress
Net working capital	Current assets less current liabilities (excluding cash and cash equivalents less amounts owed to credit institutions)
Operating income	Net turnover, including other operating income, excluding non-operational items
OECD	Organisation for Economic Cooperation and Development
QHSE	Quality, Health, Safety and Environment
Return on average shareholders' equity	Net result / Average shareholders' equity
SBTi	The Science Based Targets initiative (SBTi) is a collaborative effort involving the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to set science-based climate targets and accelerate global efforts by companies to halve emissions before 2030 and achieve net-zero emissions before 2050
Supervisory Board	Our Supervisory Board has the role to supervise the policy of the Executive Board and the general course of events of the Company and its affiliated business. It advises the Executive Board. In discharging its tasks, the Supervisory Board will be guided by the interests of the Company and its affiliated business.
TPA	Third-party assessment
UNGC	United Nations Global Compact
Workforce	Employees and other people working at Royal HaskoningDHV or one of our subsidiaries (such as but not limited to consultants, agency workers, interns)

GRI Content Index

The GRI Content Index presents the GRI Standards disclosures referenced in this report. Access the GRI Content Index online.

About this report

The Annual and Sustainability Report 2023 including the Executive Board Report, Sustainability section and Financial statements, has been prepared by the Executive Board of Royal HaskoningDHV and approved on March 14, 2024.

This report covers our global performance in 2023. The financial statements were prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and the pdf document of this report was audited by PricewaterhouseCoopers Accountants N.V. The sustainability information in this report was prepared with reference to the GRI Standards.

Reporting period

Royal HaskoningDHV's Annual and Sustainability Report 2023 presents the financial and sustainability performance of the company between January 1 and December 31, 2023.

Reporting frequency

Royal HaskoningDHV reports annually.

Entities covered in the Annual and Sustainability Report 2023

This report covers all entities consolidated under Royal HaskoningDHV, as presented in the financial statements of the company. The financial statements were prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

Sustainability reporting was prepared with reference to the GRI Sustainability Reporting Standards (GRI Standards). More information on the use of the GRI Standards can be found in the online GRI content index.

Scope of external assurance

The official PDF version of the financial statements was audited by PricewaterhouseCoopers Accountants N.V.

In case of any discrepancies between the website version, print-friendly version and the official annual financial report, please refer to the official PDF version.

This report was approved on March 14, 2024
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Leadership photography: Janita Sassen
Value chain model: Dart design

The cover shows our North Manila Bay Project where we developed a flood protection strategy with a focus on sustainable solutions that complement traditional structural measures. Read more on our website.

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For any questions, feedback, or suggestions on the 2023 Annual report, please get in touch with us at info@rhdhv.com.