



Communication *on* Progress

June 2005

Golder Associates

Golder Associates is a premier global group of companies, specializing in ground engineering and environmental science. By servicing client's needs and building strong relationships, our people have made Golder Associates one of the most trusted sources of professional services in the world. We have worked hard to earn our reputation, built on the quality of our professionals and the success of our clients.

Operating as an employee-owned group since its formation in 1960, Golder Associates has created a unique culture with pride in ownership and a commitment to providing technically sound and cost-effective consulting and contracting services. We develop close working relationships with clients to understand the specifics of the complex environments in which they operate. It is this understanding that enables us to help our clients succeed.

Golder Associates has experienced steady growth for more than four decades and has more than 3,000 dedicated people operating in our local companies, with offices across Africa, Asia, Australia, Europe, North America, and South America. Our growth and diversity of services have paralleled the needs of our clients as they operate in an ever changing and complex global environment.

Our Values and Sustainability

Golder Associates' vision is to be the most respected firm in our field. Our journey Towards Sustainability builds on this vision by extending it further into the world that we strive to make a better place.

Our commitment is to continuous improvement in applying global sustainability principles to the way we do business, to the way we satisfy our clients' needs and to the way we interface with the communities we interact with. We are committed to being proactive in balancing economic development with environmental stewardship and social development.

We have demonstrated our commitment through establishing a Sustainability Council that has guided us on our journey towards sustainability. We are also a signatory to the United Nations Global Compact that commits us to continuous improvement and adherence to its principles.

Our “Towards Sustainability” Policy articulates our intentions with regard to sustainability and defined the four pillars of our plan of action as follows.

- Defining and communicating the strategic direction through our sustainability policy, core values, and code of conduct
- Developing internal business processes that will embed a balance between the interest of stakeholders and the company and build sustainable practices into the way we do things
- Embedding project level processes that serve to build sustainable thinking into our projects
- Offering sustainable products and services that deliver value to our clients

Bruntland first defined Sustainable Development as *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”* We at Golder have chosen to define the needs of present and future generations to which Bruntland referred in terms of Quality of Life. We have thus chosen to contribute to development that improves the total Quality of Life, both now and in the future, in a way that maintains the ecological systems on which life depends.

This means that we have committed to ensuring that we run our business, interact with our community and serve our clients in line with our core values and in such a way as to enhance the quality of the lives of people affected by our work, whether it be now, or far into the future. In practice, we will continue to examine and improve our internal business processes to ensure that we are efficient in our use of resources, caring in the way we impact on the environment and mindful of the impact we can have on the people that are affected by the way we do things.

Why have we chosen this path? First it is the right thing to do from a moral and ethical point of view. Second it makes good business sense. The spin off is expected to be to attract and retain the best employees, grow our reputation and standing with our stakeholders, allow us to interact more meaningfully with the community we are part of and deliver more relevant and better products to our clients.

In order to ensure that we progress in our journey towards sustainability we will embed procedures and processes into the way we do things and will measure success through key indicators that have been selected in consultation with our employees. We will track our progress relative to the indicators and report annually.



We believe we have contributed greatly to improving the world in which we live, and also that we have many opportunities to work with our employees, suppliers, clients and the community to continue to improve our contribution.

F. W. Firlotte PRESIDENT Golder Associates

Our Journey Towards Sustainability

Our journey toward sustainability is based on continuous improvement in all key areas of our business, using tools such as the Balanced Scorecard to set appropriate goals and to track performance.

We pride ourselves in staff engagement at all levels. Engagement takes place in a number of forums including town hall meetings, group and division meetings, technical and market sector workshops and business planning sessions, ownership meetings and Principal and Associate meetings. Our Principals participate, in annual meetings, which help to form the basis of our business strategy for the coming year. In 2004 Principals Meetings were held in Canmore in Canada, Tangalooma in Australia, New Orleans in the US and Budapest in Europe. Sustainability has been on the agenda of all Principal meetings.

An annual Business Plan is published as the culmination of the engagement processes. Goals are set to deliver agreed actions, and this is done at personal, office and regional levels. All employees are encouraged to participate in the development and realization of these goals.

Golder's commitment to align with the UN Global Compact links well with our adaptation of the definition of sustainable development as it encompasses and serves all of the ten principles. We, at Golder, have chosen to define our contribution in terms of **quality of life**.

Development that
“improves the total
quality of life, both now
and in the future, in a way
that maintains the
ecological systems on
which life depends” is
sustainable.

This means that we have committed to ensure that we run our business, interact with our community and serve our clients in such a way as to enhance the ***quality of the lives of people*** affected by our work whether it be now, or far into the future. In practice we will have to continuously improve our internal business processes to ensure that we are efficient in our use of resources, caring in the way we impact on the environment and mindful of the impact we can have on the people that are affected by the way we do things.

We intend to make our contribution in a practical manner. Our commitment to the **ten principles** of the UN Global Compact is therefore evident in the indicators and measures we have adopted in our business plans and balanced scorecards. Our indicators and measures reflect the fact that Golder's main area of business, that being providers of professional services. They also reflect our belief that success will best be achieved by maintaining a strong linkage with Golder's Core Values. Hence, these are reflected as part of our reporting.



Our report on progress follows.

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Professional, Cultural and Business DIVERSITY

We embrace the DIVERSITY around us. We value this diversity in our people, our project teams and business units, and provide equal career opportunities without regard to ethnic background, nation of origin, colour, religious belief, gender, age, disability, marital status, family situation or sexual orientation.

DIVERSE OWNERSHIP

Our business model is based on working in a country or region, developing relationships with appropriately trained nationals or national companies, and engaging them in Golder as equal participants in the worldwide business.

INTERNATIONAL EMPLOYEE EXCHANGE

The Golder International Employee Exchange Scheme was implemented in 1999 to provide quality of life opportunities for staff through continued education, employment and development in other regions. The Scheme provides an opportunity for employees to learn in various cultures and to work in different business conditions. We believe this contributes to ensuring the long-term growth and sustainability of Golder. In 2004, six young professionals were selected to participate in the Exchange Program from South Africa, UK, Australia and Sweden and have been working in America, Canada and Australia.

COMMUNITY PARTICIPATION

One of our most important stakeholders are the communities within which we work. Golder Associates is passionate about contributing to the quality of life of people and communities where we operate.

Our responsibility in this regard is to actively seek membership of the community through association and support. This we do by support of local charities, by involvement in local business and vocational associations and by sponsorships of selected organisations.

Our strong belief in participation encompasses both active involvement of Golder in the life of its host communities, and the creation of opportunities for community involvement in Golder's business activities. We believe that respect for diversity should be a natural part of our culture and in 2005 we will introduce cultural awareness programs worldwide to raise consciousness.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Human Rights	<ul style="list-style-type: none">• The gender balance at Principal and Associate, shareholder and all staff levels.• Percentage of offices that have programs to increase cross cultural sensitivity.

Principle 2: Business should ensure that they are not complicit in human rights abuses

INTEGRITY in our Relationships, Commitments and Quality of Service

We value INTEGRITY in all our dealings. Golder is committed to treating our employees with honesty, fairness and respect. We use sound individual and corporate business ethics when dealing with our colleagues, clients and suppliers. Ethical conduct begins with ethical treatment of our employees.

Our Code of Conduct (www.golder.com) commits Golder to fair and supportive employment, training and procurement practices, as well as honouring our commitments to the community at large. We strive to nurture an environment in which our people can maximise their potential through self development, freedom of expression and association.

The proportion of offices where the code of conduct has been discussed or placed on open display is 46%.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Ethics	<ul style="list-style-type: none">The percentage of offices demonstrating that the Code of Conduct has been implemented.The percentage of offices with ethical procurement policies in place.

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

SUPPORTIVE of Personal Growth, Learning & Risk Minimisation

We are SUPPORTIVE of the development of our staff, and in the conditions in which they work. We do not restrict or constrain individual rights or freedoms and have committed to continuously improving the quality of life of our employees.

SUPPORTIVE OF THE HEALTH AND SAFETY OF OUR PEOPLE

The health and safety of our people is paramount to their quality of life. Golder provides a safe and healthy work environment, keeps its people apprised of the risks they may face, and provides them with the time and resources necessary to enable them to perform their work in a safe and healthy manner.

The proportion of employees having taken at least a four hour Golder course in Health and Safety, or other externally provided health and safety training is 42%. The percentage of offices with project safety plans in place for fieldwork is 32%. There are 24% of Golder employees with current first aid certificates.

Our wellness initiatives relate to monitoring of overtime worked, and employee assistance programs and various other regional or office-based initiatives.

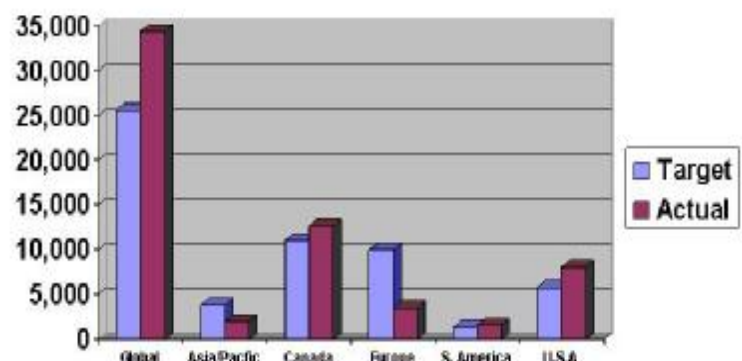
PARTICIPATION IN TRAINING

Golder U (Golder University) is the company's in-house training program. Staff take pride in mentoring and training other staff members and have developed training courses built around the Golder culture and our core values, delivered within the framework of Golder U. This is an important indicator and will be tracked into the future. Globally, 34,387 Golder U training hours were delivered in 2004.

The Golder U introductory course on sustainability is included as an indicator.

The introductory course has been given in more than ten offices worldwide and presentations, and at the meetings of Principals and Associates in South Africa, Australia, Europe and North America. Although the objective was to develop and present this course to all staff in 2004, this was not achieved. In 2005 the course is expected to be presented to 60% of staff, with the remainder taking the course in 2006.

2004 Regional Golder U Training Hours



QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Workplace	<ul style="list-style-type: none"> Hours of training per employee.
Health and Safety	<ul style="list-style-type: none"> Percentage employees taking Golder U course on Health and Safety. The percentage of offices with safety procedures in place for field activities. Statistics relating to incidents, accidents and fatalities (lost time). Sick leave – number of days absent per employee. The percentage of employees with first aid certificate.

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

Responsible PARTICIPATION in Business Success and Ownership

Our employees participate in improving our (their) business and their quality of life within the community at large. We measure our commitment to the principle of elimination of all forms of forced and compulsory labour by the satisfaction expressed by our employees.

All staff are encouraged to set personal career goals and have the support to participate in life-long learning. 76% of all global employees participated in some form of career

planning in 2004. We value those who are actively involved in mentoring, coaching and teaching others – sharing their knowledge and experiences with their colleagues. We train our senior staff to give quality goal setting sessions and to delegate. We strive to build our business in ways that provide opportunities for challenging and fulfilling work and advancement.

In 2004, Golder's operations won awards for best workplace in seven locations. One of the key criteria in these surveys was the employee engagement level, which measures how passionate and committed employees are to the organisation for whom they work.



The Golder culture is strongly linked to our employee-ownership model, which allows all staff to participate in ownership. Currently 49% of staff are owners, an ownership level virtually unchanged from the end of 2003. Principals and Associates as the major owners and leaders of the company, and own 80% of the company.

"Nobody ever washed a rental car"

Vic Milligan, one of the founding members of Golder Associates...

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Workplace	<ul style="list-style-type: none"> • Employee satisfaction based on survey. • The percentage of employees given annual performance appraisals.

Principle 5: Business should support the effective abolition of child labour

Our projects in various parts of the globe provide us with opportunities to influence inappropriate practices and to improve quality of life. This we do through client contact and stakeholder engagement. Our direct contribution may be seen in the focus of our social investment.

OUR SOCIAL INVESTMENT

The Golder Trust for Orphans (www.goldertrust.co.za) was established by Golder with the main aim of improving, through Non-Government Organisations (NGOs), the quality of life of children who have been orphaned or displaced by the AIDS epidemic. It also aims to provide financial support to NGOs caring for and counselling families and dependents of people living with HIV/AIDS. The primary focus is in Africa, and initially in South Africa.

The Golder Trust for Orphans has now been established and seed funding from Golder provided. The Trust is a non-profit organisation and is registered as a donor organisation. On the basis of the initial funding, three selected organisations actively involved in supporting orphans, who have been displaced by the AIDS epidemic, were identified and have received donations from the Trust. Two of the organisations are based in South Africa and the other in Kenya.

In 2004 eleven staff donated money to the Golder Trust for Orphans. This was limited by the fact that final registration of the Trust was only achieved in late 2004. The option of staff deductions direct from payroll will be organised and promoted in 2005.

COMMUNITY SUPPORT

Some of our programs around the Golder world include Kids Cure for Cancer head shaving in Canada, and contests held among school children in South Africa for providing a design for our corporate Christmas cards. Based around the theme of “helping others”, we selected a number of submissions from the children associated with the Golder Trust for Orphans.



Golder Associates made a donation at the end of 2004 of 12 soccer balls to the children in the three orphanages associated with the Golder Trust for Orphans initiative. The children participated in our Christmas Card drawing competition, and a number of their drawings were incorporated into our 2004 cards for clients.

In 2004 Golder donated money and expertise to drill water wells in Paraguay. Provision of adequate supplies of water to all is one of the biggest issues in providing an adequate Quality of Life for all.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Stakeholder Relations	<ul style="list-style-type: none"> Dollars spent on social investment such as community projects and other charitable donations. Number of employees contributing to the Orphans Trust. The percentage of client satisfaction interviews with positive outcomes – client would recommend Golder to others.

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Our goal is to provide sustainable, integrated regional operations comprised of appropriately trained nationals and to encourage them to participate equally in ownership of the company, such that the number of shareholders in a region mirrors the staff and turnover distribution. We will actively work towards increasing the number of females in the technical disciplines, and at senior staff levels.

The Australian operation annually files an Equal Opportunities for Women in Australia (EOWA) report to the government on progress in fostering employment opportunities for women in the industry. In South Africa we submit an employment equity plan that tracks gender and race balance and reports on progress towards achievement of our self imposed targets every two years. In our journey towards sustainability we will be tracking our gender and equity position and will be developing initiatives to ensure we maintain our focus on equity.

	Full Time Staff			All Shareholders			Principals			Associates		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
2003	1941	932	2873	1096	326	1422	178	5	183	231	30	261
2004	2256	1113	3369	1263	392	1655	188	8	196	250	35	285

Zitholele Consulting is a black economic empowerment company formed in 2003 in South Africa to provide specialist consulting services to the public sector in the broad fields of public participation, social development, environmental services, engineering (environmental, water, structural), agribusiness and project management.



According to Managing Director Solly Manyaka, since its establishment about 18 months ago, Zitholele has gone from strength to strength. "Our current staff complement is nine, with numerous projects in the public sector in the fields of public participation, awareness creation, policy development, agriculture and engineering".

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Workplace	<ul style="list-style-type: none"> The number of shareholders per region as a percentage of the total.
Human Rights	<ul style="list-style-type: none"> The gender balance at Principal and Associate, shareholder and all staff levels. Percentage of offices that have programs to increase cross cultural sensitivity.

Principle 7: Business should support a precautionary approach to environmental challenges

Imbedding sustainable thinking into our SOLUTIONS

The most significant contribution to sustainable development can be made through the services we offer. Although the journey towards effectively imbedding sustainable thinking into our projects will be an evolutionary one, it is through this route that we can make the greatest difference to the Quality of Life of the many people we directly and indirectly influence and interface with.

Our goal is to educate all Golder employees to apply sustainability thinking at all stages of the project cycle, including:

- Request for proposals
- Proposals
- Project planning
- Project communications
- Project deliverables and recommendations.



This FIDIC guideline for Project Sustainability Management has been adopted and serves as benchmark for our quality assurance system. Further guidance has been provided to our project managers and in 2005 we will incorporate a sustainability assessment procedure into our project management protocol.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Applying sustainability thinking to our projects	<ul style="list-style-type: none"> The percentage of deliverables undergoing review where the team has demonstrated consideration of how the project might contribute to sustainable development.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

ENVIRONMENTAL STEWARDSHIP

As a service company our environmental footprint is relatively small. We do however recognise that collective action of individuals and enterprises is required in order to ensure that the sustainable development objectives are realised. We recognise that our contribution to environmental impacts through initiatives such as waste reduction, recycling, energy efficiency, water use and greenhouse gas reduction will make an important contribution to improving local environmental quality and to the overall global impact of development. This is part of our commitment to the Global Compact, and our Health and Safety, Environment and Quality Policies.

Our environmental footprint will be reduced by continuously reducing the resource consumption and waste generation we have influence over and by reducing the impact we have on the environment. The end result we expect is an ongoing improvement in our indicators of resource consumption, waste generation and green house gas production.

Local impact is a function of the environmental setting of our operations around the world. We recognise that it is not possible to establish a universal set of indicators. We have therefore tasked each region to develop their own set of indicators that are appropriate to their circumstances. We are also committed to continuous improvement and reduction of our footprint. As such, we intend to progressively improve our measurement and control systems with time. An annual review of performance will be done in order to assess our performance against our benchmarks and to identify possible areas of improvement.

All Australian offices and several European offices have been accredited to (ISO14001). This means that there is commitment to implementing an Environmental Management System which is externally audited. Thus, with regard to our responsible stewardship indicators 11% of our offices meet these criteria. Most Golder offices have systems in place with programs such as default to double sided copying, recycling of goods such as toner cartridges and paper. At this time, these programs are encouraged but the successes are not actively measured.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Responsible Stewardship	• The percentage of offices with programs in place to reduce resource consumption.
	• The percentage of offices with programs in place to reduce waste produced.
	• Percentage of offices with greenhouse gas monitoring system of sources we have control over.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

INNOVATIVE SOLUTIONS

Innovation has been one of the hallmarks of the success of Golder over the years. It is also part of our value statement, not only to our clients, but to one-another and to the new employees that we recruit.

Innovation is the key to reduce the environmental footprint of mankind. The introduction of environmentally friendly technologies is achieved through a focus on continuous improvement and innovation. Golder Associates has adopted the FIDIC guideline on Sustainability Management in Projects and have incorporated this as a benchmark in our quality assurance system. This guideline emphasises innovation as the key to progress.

Golder also has an electronic Innovation Centre, with the main goal of sharing information on innovative ideas and the provision of tools to support research and development as well as to encourage exchange of ideas and concepts between colleagues.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Applying sustainability thinking to our projects	• The percentage of deliverables undergoing review where the team has demonstrated consideration of how the project might contribute to sustainable development.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

We are committed to running our business with integrity. As such we subscribe to the following key principles:

- We will not become involved in corrupt business practices
- We will not engage in activities that put third parties and communities at risk

- We will preferentially procure services and goods from suppliers who support our business ethics.

Our Code of Conduct indicates that we will also expect our suppliers to conform to this code. To this end we will post this on our external website in 2005 and specifically draw supplier's attention to:

- Possible conflict of interest
- The UN Global Compact
- Environmental standards
- Health and Safety standards.

It is our intention to favor suppliers who operate in the local communities in which our operations are based and who strive to be inclusive in all parts of our society. We will strive to pay our suppliers according to the agreed terms of trade.

Several offices (those which are ISO9000 accredited) maintain a list of approved suppliers, and this initiative will be extended worldwide in 2005.

QUALITY OF LIFE	SUSTAINABILITY INDICATORS
Ethics	<ul style="list-style-type: none"> • The percentage of offices demonstrating that the Code of Conduct has been adopted. • The percentage of offices with ethical procurement policies in place.

