

# CORPORATE SOCIAL RESPONSIBILITY REPORT **2014**

COMMUNICATION ON PROGRESS  
- OUR ACTIVITIES IN 2013  
- OUR FOCUS IN 2014 AND 2015



## CHIEF OPERATING OFFICER STATEMENT

Global warming, water scarcity and increasing pressure on natural resources due to growing populations and increasing urbanisation are some of the urgent challenges the world is facing. At DHI, we believe that we can make a difference.

It comes naturally to us to take an active part in ensuring a sustainable future for a growing world. Developing and integrating sustainable and environmentally sound water management solutions for our clients is part of our DNA as well as an essential part of our purpose and values.

Our core business is to use and share our innovative and global knowledge of water environments to develop sustainable solutions for society in order to encourage sustainable development. This is also part of our quest – to solve the world's challenges in water environments.

We at DHI support the United Nations Global Compact's call to adopt sustainable and socially responsible policies. As such, I am pleased to reaffirm our support of the Compact's ten principles in the areas of human rights, labour, environment and anti-corruption.

In this our first annual Communication on Progress, we describe the actions we are taking to continuously improve integration of the Global Compact and its principles into our business strategy, culture and daily operations. We will also share this information with our stakeholders using our primary communication channels to further encourage its implementation.

Yours sincerely,

Jacob Høst-Madsen  
Chief Operating Officer



## INTRODUCTION

In November 2013, we joined the United Nations (UN) Global Compact and we are now in the process of aligning our operations and strategies with the ten principles in the areas of human rights, labour, environment and anti-corruption. Last year was our anchor year. In 2014 and 2015, we will be able to assess the results of increased awareness in these areas for the first time.

We utilise the UN Global Compact as a:

- framework for conducting Corporate Social Responsibility (CSR) initiatives within DHI Group and to ensure that our business partners support the Compact's principles
- basis for communication with the world around us – we want to convey our views on social responsibility and our work in this field
- platform for dialogue with our clients and external business partners

The purpose of this report is to:

- explain our progress to the UN
- communicate our messages, challenges and achievements to our various stakeholders, with whom we are in contact with in a variety of ways
- communicate our work implementing the UN Global Compact to our employees as well others who have an interest in CSR and social responsibility

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

At DHI, we contribute to CSR through three focus areas:

- Improving the environment
- Responsible business practice
- Sharing knowledge and technology

In addition, we abide by the UN Global Compact principles on:

- human rights and labour through the policies and procedures in our certified DHI Business Management System, the DHIBus
- the environment, which is at the heart of our quest
- anti-corruption, which is integrated into our business integrity policy and is one of our key CSR focus areas



# IMPROVING THE ENVIRONMENT

*Each of our **Signature Projects** has ushered in considerable environmental, social and economic benefits.*

## OUR ACTIVITIES IN 2013

Our Signature Projects from 2013 provide concrete examples of how we have helped solve the world's toughest challenges in water environments. Each of these projects has ushered in considerable environmental, social and economic benefits in their respective areas.

In the Nile River Basin, we helped ten countries share water resources. With a drainage area of 3 million km<sup>2</sup>, the Nile River is a major source of food, irrigation and energy production. More than 200 million people depend on the river's water for their livelihood. Over the years, an increasing population and economic growth in the region has put more pressure on the river's limited resources. Ten of the Nile Basin's riparian countries – represented by the Nile Basin Initiative (NBI) – have agreed to cooperatively develop the river. To help the NBI foster equitable management of the Nile's resources, we developed the Nile Basin Decision Support System (NB DSS). With the NBI, we developed an analysis tool that provides a transparent and objective way for the NBI countries to share information, enabling water authorities to cooperatively and sustainably use the Nile's water.

In Malaysia, we helped VALE Malaysia Minerals Sdn build a 1.8 km long deep water jetty with minimal environmental impact. VALE is building a new iron ore distribution centre, including a 1.8 km long deep water jetty, in a coastal region of Malaysia. This required comprehensive dredging works, which would produce sediment plumes that could negatively affect the environment. Complex conditions in the area – including strong current flows and very deep water – meant standard dredging mitigation measures would be insufficient. As such, we carried

out a proactive Environmental Monitoring and Management Plan alongside the dredging works. We predicted potential impacts before they became a problem. This allowed the company to optimise the dredging programme and complete the dredging on time and on budget with minimal impact on the environment.

We helped Aarhus, Denmark's second largest city, reduce their environmental and CO<sub>2</sub> footprint. Aarhus Water – the local water supplier and storm and wastewater service provider – has ten wastewater treatment plants that receive 35 million m<sup>3</sup> of wastewater a year. Faced with the demands of a growing city, they needed to find a way to increase their wastewater treatment efficiency and capacity. We worked with the operating staff to optimise their wastewater treatment process, enabling Aarhus Water to reduce their environmental and CO<sub>2</sub> footprint.

In Singapore, we helped ensure sustainable protection measures for mangroves that would not negatively impact the marine environment. Tekong Island is home to the country's largest remaining tract of mangrove forests, however coastal erosion is putting it at risk. To protect the mangroves, Singapore's National Parks Board (through the Housing Development Board) implemented coastal protection and restoration works on Tekong Island. To ensure that the works themselves did not harm the existing mangroves, we developed and implemented an Environmental Monitoring and Management Plan (EMMP). This helped Singapore preserve its largest remaining tract of mangrove forests.



## OUR FOCUS IN 2014 AND 2015

In Indonesia, we helped ensure Jakarta Bay's long-term sustainability. In recent years, Jakarta Bay has experienced rapid economic growth, leading to land-use conflicts and environmental issues. To ensure the Bay's long-term sustainability, the Indonesian Ministry of Environment (KLH) decided to create a coastal development policy. We supported them by conducting a Rapid Environmental Assessment (REA) of the Bay, through the Danish International Development Agency (Danida). Our REA provided KLH with the critical information required to create its coastal development policy, which helped to ensure the sustainable development of an area 28 million people call home.

We helped water authorities in New South Wales, Australia reduce the amount of water lost to evaporation and evapotranspiration. The complexity of the 1,600 km long Murrumbidgee River – combined with the need to meet critical irrigation, environmental and town water demands – often results in excess water being released and subsequently lost to the river system. To address this issue, we worked with the State Water Corporation to develop the Computer Aided River Management (CARM) system. CARM integrates models reproducing key catchment and river processes with real-time measurements for the entire Murrumbidgee River system. This enables authorities to release the right amount of water at the right time, reducing the loss of water in the system.

See all our signature projects here:  
[www.dhigroup.com/references](http://www.dhigroup.com/references)

In 2014 and 2015, we will continue our focus on improving the environment by continuing to develop and deliver services and products that help solve water challenges related to global urbanisation. This includes using water more efficiently, reducing energy consumption, helping cities adapt to climate change, and increasing wastewater treatment efficiency.

We will also offer more services and technologies to help solve challenges in the industrial water sector. This includes using water more efficiently, re-using water, and developing water-free production methods. In addition, we will continue to develop advanced decision support technology for water management.



# RESPONSIBLE BUSINESS PRACTICES

*We reaffirmed our commitment to ensuring responsible business practices throughout our organisation.*

## OUR ACTIVITIES IN 2013

In 2013, we reaffirmed our commitment to ensuring responsible business practices throughout our organisation by signing on to and submitting our Letter of Commitment to join the UN Global Compact. As part of this, we established a Whistleblower process to safeguard our values and ensure compliance with our policies. Customers, partners, employees and third parties can submit an online form anonymously to notify us of suspected corruption and other issues of concerns. In 2013, we received information about and handled one case of suspected corruption.

In addition to our Whistleblower process, we also established a Sustainability webpage on our website. Accessible to everyone, this page highlights the sustainable and socially responsible work we have undertaken – past, present and future.

To ensure the consistent application of our business integrity policies, we further implemented the DHIBus (our documented management system) in ten additional DHI offices. The DHIBus includes policies and procedures related to CSR.

Furthermore, we integrated the FIDIC Code of Ethics into our business processes and practices. The FIDIC Code of Ethics clarifies consulting engineers' responsibility to society and the consulting industry as well as their duty to perform services within their competencies, maintain their integrity, remain impartial, fight corruption, and exhibit fairness to others.

*To enhance our internal focus on CSR issues, **we will launch a new Code of Conduct.***

## OUR FOCUS IN 2014 AND 2015

To further strengthen our commitment to engaging in responsible business practices, we will launch a new Code of Conduct. It will help ensure that all of our employees live up to our ethical standards for the environment and society on a daily basis. This includes offering the best technical choices from a long-term and local-global impact perspective.

This new Code of Conduct will be conveyed to all employees. We will also make our responsible business practices policy a part of our New Employee Induction and our Project Manager training. This will further ensure our continued implementation of CSR best practices throughout our organisation.

Furthermore, we will integrate a requirement to recognise and follow our Code of Conduct as a part of the qualification process into the subcontracting process. This will help improve the process of assessing CSR impacts during the subcontractor qualification phase and convey our CSR policies to our subcontractors.

In addition, we will extend our Whistleblower policy and make clear it that it can be used to report violations of human rights and labour principles – anonymously if the person so chooses.

As a part of the risk analysis during the bidding decision process, we will screen projects for violation of human rights and labour principles, damage to environment and corruption prior to entering into contracts and agreements. This will enhance our internal focus on CSR issues and inform our client of our CSR principles, helping to prevent and mitigate the risks of violating human rights and labour principles, damage to environment and corruption.

In 2014 and 2015, we also plan to implement the DHIBus (our documented management system), which includes policies and procedures related to CSR, in nine additional offices. We will continue to strive to exhibit CSR best practices. We will assess labour-related risks in our operations, with health and safety as prioritised focus areas. We will evaluate the risks and implement actions to ensure the health and safety of all our employees.

In addition, we will develop CSR key performance indicators (KPIs) and goals (KPGs) as well as improve documentation of and monitor our KPIs and KPGs. This will enable us to better track the effectiveness of our CSR processes and further integrate our CSR KPGs and KPIs into the Group Dashboard. By documenting and reporting our performance, top management is able to ensure consistent application of our corporate values regarding responsible business practices in the future.



# SHARING KNOWLEDGE AND TECHNOLOGY

*Around the world, we share **our**  
**knowledge** of water environments.*

## OUR ACTIVITIES IN 2013

Around the world, we have provided training and knowledge sharing activities related to water environments. We conducted seminars and training courses for 6,795 people to help them increase their knowledge of water environments using our MIKE by DHI and MIKE CUSTOMISED by DHI tools.


In addition, we launched Aqua Republica – our not-for-profit serious online game – in 2013. With more than 2,000 registered users, Aqua Republica utilise real world data to present participants with real-life water management scenarios. This helps increase awareness of integrated water resources management issues through hands-on experience.

To further spread the knowledge gained by playing Aqua Republica, we also co-organised the UNEP-DHI Eco Challenge 2013 – an online gaming competition for high school students in Asia. With 410 teams participating across nine countries in Asia, the Eco Challenge enabled the students to learn more about integrated water resources management.

In addition, we invited 265 Danish high school students to attend a half-day seminar on the impacts of climate change impact on Denmark. We also offered university students around the world access to some of our water management software (for a small handling fee), which 1,030 students took advantage of.

Furthermore, we continued our support of the Women's Water Initiative (previously called the Women's Water Fund) by organising a capacity building visit to Denmark for eight women from developing countries. The visit included a combination of formal training as well as face-to-face interaction with managers in public authorities and the water industry. This programme provided the women with the skills and encouragement needed to advance their career opportunities in the field of water resources development and management.





*By continuing to share our knowledge, we will **help others** further enhance their knowledge of water environments.*

## OUR FOCUS IN 2014 AND 2015

To continue sharing our knowledge of water environment management, we will continue to conduct seminars and training courses around the world in 2014 and 2015. This will help enhance course participants' knowledge of water environments and improve their skills in the use of our MIKE by DHI and MIKE CUSTOMISED by DHI tools, helping them solve their unique water challenges.

In addition, we will continue to target youths for knowledge sharing activities. We co-organised the UNEP-DHI Eco Challenge 2014 in Asia and will co-organise it again in 2015. This will enable even more students to further learn about integrated water resources management. In Denmark, we will prepare two short films on the impacts of climate change on Denmark and provide them to Danish elementary schools free of charge.

We will also co-organise the Climate Change Summer Camp 2015 in Asia. This five-day camp will help 13- and 14-year-olds increase their knowledge of climatology as well as environmental conservation and protection. This will encourage participants to adopt sustainable lifestyle concepts and values now to encourage sustainable development in the future.

We also co-organised the South Africa Water Challenge 2014, in cooperation with UNEP-DHI, the Federal Ministry of Education and Research (Germany), Mindset (an educational television channel), and the Water Research Commission. As part of the one-month water game, participants learned about the conflicts and trade-offs that exist in a real catchment – South Africa's Middle Olifants – by experiencing them through meaningful play.

This helped participants understand the needs and perspectives of all the stakeholders involved in integrated water resources management as well as the value that ecosystems provide. It also enabled the Water Research Commission to understand the participants' thoughts on water issues in South Africa.

In China, we will also conduct a five-day course on our MIKE 21 and MIKE 21C software in China for scientific research institutions, design companies and universities. This will help participants obtain a deeper understanding of modelling software tools for water management.



*As our company grows, we will  
**further advance our sustainable  
development** and social  
responsibility efforts.*

## AMBITIONS

In the future, we will further advance our efforts within sustainable development and social responsibility. As our company grows, we will maintain a strong focus on continued compliance with regulations and internationally recognised principles on human and labour rights, the environment, and anti-corruption to develop as a responsible company in accordance with our quest, long-term goals and priorities.

Our firm focus on environmental, social and economic issues has always been our guiding light when doing business. This is a path we will continue to follow in 2014 and beyond.

# DHI THE EXPERT IN WATER ENVIRONMENTS

DHI are the first people you should call when you have a **tough challenge to solve in a water environment** – be it a river, a reservoir, an ocean, a coastline, within a city or a factory.

Our knowledge of water environments is second-to-none. It represents **50 years** of dedicated research and real-life experience from more than **140 countries**. We strive to **make this knowledge globally accessible to clients** and partners by channelling it through our local teams and unique software.

Our world is water. So whether you need to save water, share it fairly, improve its quality, quantify its impact or manage its flow, we can help. Our knowledge, combined with our team's expertise and the power of our technology, holds the key to unlocking the right solution.



## DHI OFFICES WORLDWIDE

Australia	Denmark (head office)	New Zealand	Spain
Austria	France	Norway	Sweden
Brazil	Germany	Peru	Turkey
Brunei	Hungary	Poland	United Arab Emirates
Bulgaria	India	Romania	United Kingdom
Canada	Indonesia	Singapore	USA
China	Italy	Slovak Republic	Vietnam
Czech Republic	Malaysia	South Africa	

For more information visit: [www.dhigroup.com](http://www.dhigroup.com)

The expert in **WATER ENVIRONMENTS**

