

UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2014



- Human rights & labour
- Environment
- Anti-corruption

MISSION

To develop reliable waste water and stormwater management, tailored to our customers' requirements, with respect for those around us and the environment.



ABOUT AQUAFIN

On a daily basis, over 1,000 employees at Aquafin work on the development and management of the infrastructure for the treatment of domestic waste water in Flanders. The company was established in 1990 by the Flemish Region. Over a period of 25 years, the treatment level in Flanders has risen from barely 30% to over 80%.

Aquafin collects the domestic waste water from the municipal sewers in collector sewers and transports it to treatment plants, where it is processed in accordance with EU and Flemish standards.

It is Aquafin's responsibility to ensure the optimum operation and maintenance of the infrastructure in which the region has invested. Aquafin also offers the same services for the municipal sewer system.

In all we do, we want to create real value for society and the natural environment. Therefore, we also want to help our customers deal with stormwater differently, by making space for it in public areas.

Starting with the design, we pay attention to the entire lifecycle of the infrastructure, continuing to keep a close eye on its operation once it is up and running. Smart energy consumption, recovery of raw materials from waste water and reducing emissions in the water treatment process are central to all our activities. Based on the expertise we have built up over the years, Aquafin has become a much sought-after partner in research projects aimed at implementing the EU Water Framework Directive, both in Belgium and abroad.

FOREWORD

The goal of Aquafin's core business is to create added value for society. The development and sustainable management of the treatment infrastructure enable more and more domestic waste water to be treated, thus reducing the chance of society suffering through the failure of the infrastructure. Our specialist local knowledge forms the basis for a broad view of well-functioning water treatment areas.



We also aim to carry out our activities as sustainably as possible throughout all our business processes. Every year, we report on this in the “Corporate Social Responsibility” section of our annual report.

In addition, we keep an eye on global issues around water. Water and sanitation are human rights. For this reason, through the “Corporate Social Responsibility” programme, Aquafin supports projects in this area in the South, led by **Protos** and **Young Water Solutions**. In the case of Young Water Solutions, we provide technological as well as financial support. These projects are initiated and carried out by local young persons supported by GoodPlanet. Experts from Aquafin advise the young person directly, thereby making a truly valuable contribution to the project. In this way, we generate engagement among our staff and work together to create a better world.

Luc Bossyns
Managing Director

AQUAFIN AND THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

Human rights & labour

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.
- **Principle 2:** Businesses should make sure that they are not complicit in human rights abuses.
- **Principle 4:** Businesses should support the elimination of all forms of forced and compulsory labour.
- **Principle 5:** Businesses should support the effective abolition of child labour.

As a company incorporated under Belgian law, Aquafin is subject to Belgian social legislation. Protecting human rights, banning forced and child labour - these are fundamental principles of Belgian and European social legislation. In complying with Belgian legislation, Aquafin respects these 4 principles since its establishment.

Safety is a basic right under European and Belgian legislation. Aquafin aims to play a leading role in fostering and promoting safety awareness among its employees and technical partners and on construction sites. It supplies the necessary tools for this through various channels including posters, training courses, e-learning, guidelines and ergotools.

Internally, safety instructions are not only transmitted through the hierarchical line, but also directly by the health and safety officers from the Health and Safety Department. Along with general themes, the information sessions organised by them also cover lessons learnt from accidents and near misses. In 2014, we recorded 24 accidents at work, in line with the figure for the previous year.

Externally, Aquafin encourages its technical partners to work safely by informing and raising awareness, but also by making safety a criterion for the “Minder Hinder” (*Less Nuisance*) award. From 2016, it will even play a role in the awarding of contracts.



→ **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

As prescribed by Belgian law, Aquafin has a Works Council and a Health and Safety Committee with equal representation. The employee representatives represent the various categories of employees: white collar, executives and young workers (no one has blue-collar status at Aquafin). Employees are free to decide which trade union to join, if any. Both the Works Council and the Health and Safety Committee meet on a regular basis. The Works Council met 13 times in 2014, the Health and Safety Committee 11 times. The minutes of these meetings are accessible to all employees. The well-being and satisfaction survey the company organised, was an important topic through the year.

→ **Principle 6:** Businesses should support the elimination of discrimination in respect of employment and occupation

As required by Belgian legislation, Aquafin does not discriminate between people on the basis of ethnic or social origin, gender, age, sexual orientation, political or religious beliefs or whether or not they are members of a trade union.

In view of the high engineering content in the company's activities, Aquafin's workforce remains predominantly male. In 2014 the ratio (expressed in FTE) was 667.5 men to 216.6 women. All employees, regardless of qualifications, position and seniority, are classed as white-collar workers.

In order to increase the employment rate among older workers, Belgian legislation requires companies with more than 20 employees to draw up an employment plan to maintain or increase the number of employees aged 45 or older. Aquafin has drawn up such an employment plan, in consultation with the social partners. The content of the plan is reviewed and updated on an annual basis. On 31 December 2014, 381 employees were aged 45 or older.

Environment

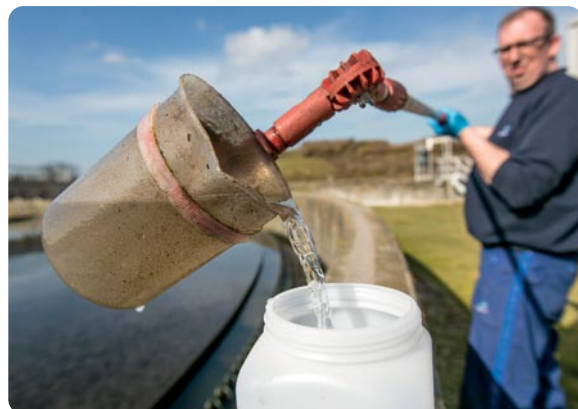
→ **Principle 7:** Businesses should support a precautionary approach to environmental challenges.

In Flanders, Aquafin is responsible for the development and management of the infrastructure for the treatment of domestic waste water. We also offer these services for the municipal system.

The waste water we discharge after treatment in a water-course must comply with the Flemish standards that are even more rigorous than the European standards. In 2014, 99.7% of the waste water treatment plants complied with all of the standards.

All critical elements of our waste water treatment plants and pumping stations are monitored constantly by alarms. Online controls enable the treatment process to be adjusted very quickly if required.

The Flemish Environment Agency audits Aquafin's environmental performance. To measure the performance of the treatment infrastructure which we manage on behalf of the Flemish Region, we together with the Flemish Environment Agency have devised a set of ecological indicators which are reviewed on an annual basis. Of the 459 incidents we reported to the Flemish Environment Agency last year, 291 had an ecological impact.





→ **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

The development of the sewer network frequently requires extensive works in public spaces. Roads are dug up, access to homes is difficult at certain times and retailers temporarily have lower footfall because access is restricted. Nevertheless, the works are necessary in order to be able to treat more domestic waste water. Aquafin informs local residents and retailers about planned works and why they are necessary. In 2014, Aquafin organised 157 information evenings.

We invite everyone who has a waste water treatment plant in their neighbourhood to the plant to find out about the water treatment process. Last year we organised 10 of these “neighbourhood tours”.

To highlight what Aquafin undertakes for clean watercourses, together with the Flemish Region, the municipalities, the Flemish Environmental Agency, technical partners, ... we organised the first “Chap’eau” event in September 2014. Enjoying clean water together is central to this event to which everyone is welcome. About 800 visitors joined this first “Chap’eau”.

→ **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

Although our waste water treatment plants are designed to be energy-efficient, treating waste water remains a highly energy-intensive process. Aquafin keeps a close eye on energy consumption and is taking steps to reduce this further. In 2014, a series of new projects were initiated in this area, including no longer leaving parts running continuously when they have no impact on the treatment process or the treatment results. Every year, five waste water treatment plants are scrutinised in detail with regard to their energy consumption and improvements are made where possible.

The main function of a waste water treatment plant is of course to process domestic waste water. However, we are finding more and more ways of creating added value for society through the recovery of energy and raw materials from the waste water. Sludge is a by-product of water treatment. It is fermented to form biogas. We convert this into green electricity, which replaces some of the electricity that we would otherwise have had to take from the grid at our waste water treatment plants. Of the non-digested sludge and the sludge that remains after the sludge digestion process, in 2014, 36% was dried in our own sludge drying plants in Deurne, Houthalen or Leuven.

We supply the dried sludge to the cement industry in the form of granules or pellets for co-incineration in cement furnaces, to replace fossil fuels.

The domestic waste water arriving at the waste water treatment plants contains a variety of substances that can be re-used following efficient recovery. For instance, human urine is rich in the mineral phosphorus, global reserves of which are gradually being exhausted. In 2013 and 2014, Aquafin carried out tests by adding magnesium chloride to the sewage sludge to cause the phosphates to precipitate as struvite, or phosphorus crystals. At the beginning of June 2015, Aquafin received a raw materials certificate from OVAM so that the struvite won could also be used as fertiliser.

Using a test set-up with a fine screen during the mechanical treatment stage, Aquafin is trying to recover cellulose which flows into the plant from toilet paper. At a later stage, we will investigate further how and under what conditions the cellulose can be used as a raw material. Known applications include the production of insulation materials and bioplastics.

Organic waste is also rich in carbon, another substance which we may be able to recover and convert into biocoal. Biocoal can be used in industry, agriculture or environmental technology.

The waste water treated in Aquafin's plants is of excellent quality and can be discharged into a watercourse. It is also suitable for replacing expensive drinking water in industrial applications where this quality is not required. After a little pre-treatment, for example, it makes excellent process or cooling water for industry. Aquafin has agreements with a number of Flemish companies and intermunicipal utility companies for the supply of treated waste water. Cleaning companies also use it as cleaning water. In 2104, about 1.5 million m³ treated waste water was reused in that way.

Provided that it is thoroughly treated, waste water can also be further upgraded to any desired quality, even to drinking water. This is what happens in Koksijde, where drinking water company IWVA takes about 2.9 million m³ treated waste water on a yearly basis from the treatment plant and turns it into drinking water. In 2014, a meat-processing company whose waste water is treated by subsidiary Aquaplus, started up an extra treatment plant. The treated waste water is now upgraded to drinking water which can be used in meat-processing activities. The excellent and consistent quantity of the treated waste water has a major impact on the taste and quality of the company's products.

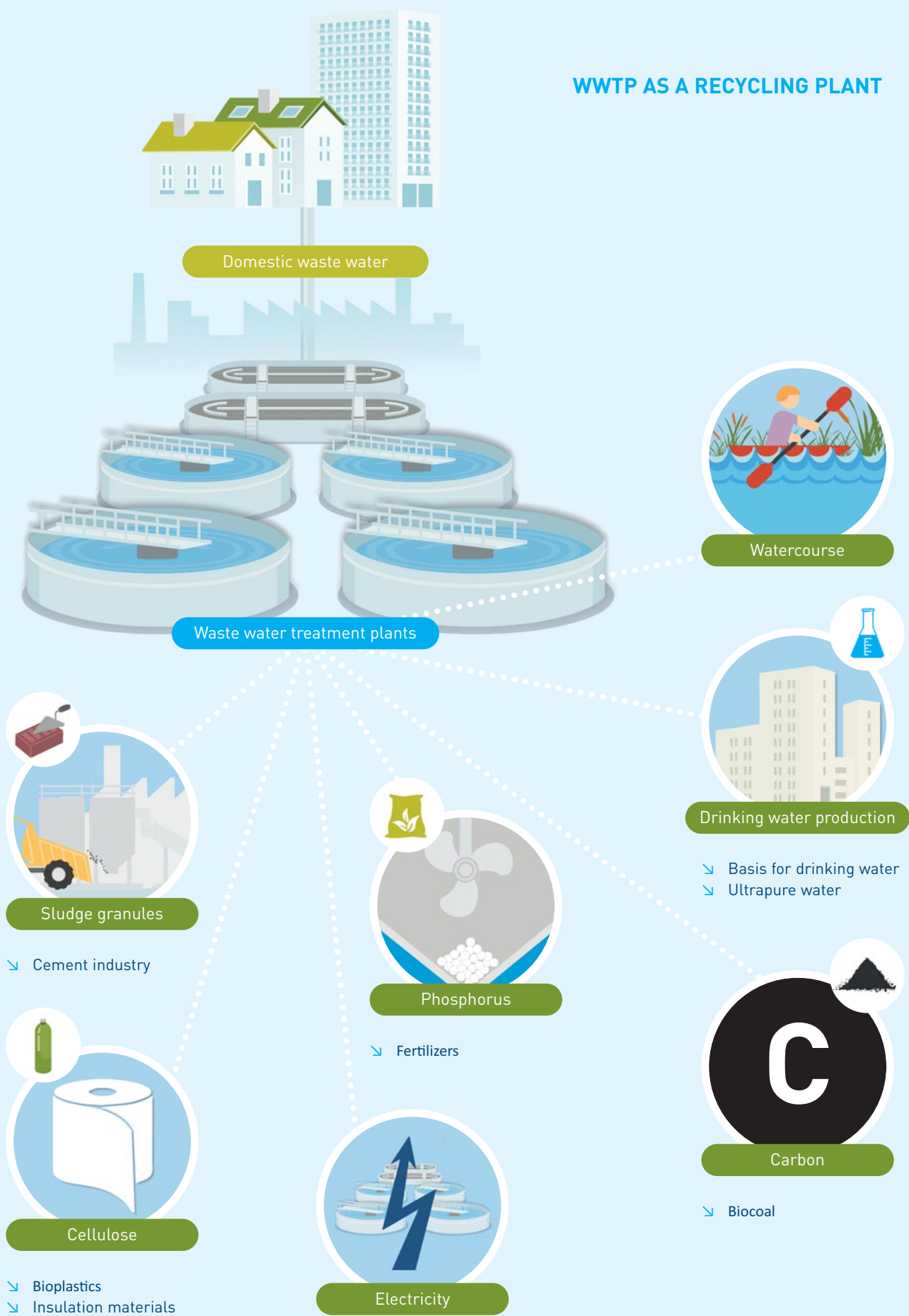
Anti-corruption

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

Corruption, extortion and bribery are prohibited by Belgian law. Aquafin is subject to Belgian law and acts as such.

The internal auditor, external auditor and the financial regulator for the Flemish Region all supervise the company. The internal auditor carries out quality audits on the procedures followed within the company. Ernst & Young Assurance Services have been appointed as external auditors of the financial statements. The financial regulator for the Flemish Region checks the invoices falling under the Management Agreement with the Flemish Region.

Aquafin's Corporate Governance Charter is available at www.aquafin.be. The annual report can be consulted on jaarverslag.aquafin.be.





Clean watercourses for
successive generations
and a living environment
in harmony with water.

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