United Nations Global Compact

Communication on Progress 2015

ARUP

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United Nations Global Compact:
Communication on Progress 2015

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A

United Nations Global Compact:
Communication on Progress 2015

A: Introduction

ARUP

Your ref
Our ref UNCOP 2015
File ref

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For the attention of:
H.E. Ban Ki-moon
Secretary-General
United Nations
New York, NY 10017
USA

29 July 2015

Dear Sir

UN Global Compact Communication on Progress 2015

I am pleased to confirm our continued commitment to the Ten Principles of the UN Global Compact regarding human rights, labour, environment and anti-corruption. We also support engagement in collaborative projects and partnerships, which advance the broader development goals of the UN.

As a firm we have a strong culture – in 1970 Ove Arup, our founder, provided us with an enduring set of values and aims. These include being a humane organisation; straight and honourable dealings; social usefulness, and maintaining good reputation and influence. These have become integral to our culture, our thinking and behaviours. As a result we attract people to join us who share these values.

While these values have a strong resonance with the Principles set out in the UN Global Compact, our purpose is also "to shape a better world".

Often this is through our projects where we apply sustainable design principles and encourage corporate social responsibility, but it also includes how we work and who we work with.

Examples from this year include:

- Jo da Silva, who leads our International Development team, was awarded an Honorary Doctorate of Technology by Coventry University on 21st November 2014. The award recognises Jo's contribution to the field of engineering and humanitarian relief, particularly her role in developing long-term development programmes to support sustainable and resilient societies.

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Registered Number: 1312453 | Registered Address: 13 Fitzroy Street London W1T 4BQ

- As part of our continuing commitment to driving the diversity agenda in Arup, we hosted an event to celebrate Connect Cultures, our staff network which promotes cultural, religious and ethnic diversity in the workplace. We hosted 70 staff and external guests in London plus others from offices across the UK. We showcased a new film which features former chairman Jack Zunz discussing the role that cultural diversity has played in Arup's heritage and project work. During the main part of the event, our guest, David Lammy, MP for Tottenham, was interviewed. He shared some of his personal experiences and insights from his childhood, university, and his early career through to representing Tottenham. David provided thoughts on how companies such as Arup and others in the engineering sector can encourage greater diversity in the workplace.

- Arup is owned by our staff in trust, for the benefit of past, present and future employees. This independence enables us to stay true to our values and maintain our distinctive culture. A key part of the Arup Group Strategy and one of our core aims is for everyone at Arup to share in the firm's success. In August 2014, the Group Board agreed to some important changes to the Global Profit Share Scheme, giving more shares to junior employees (Grades 2 to 6).

- In November 2014, our application for formal accreditation was approved by the Living Wage Foundation, making Arup one of the first 1,000 UK employers to make this pledge. This demonstrates our commitment to paying all of our permanent employees the prevailing London or national living wage, as well as ensuring that our contractors and suppliers follow our example.

We look forward to supporting the UN Global Compact in 2015 and beyond.

Yours faithfully

Alan Belfield
Director of OAPIL

A Introduction

Our independent ownership structure allows the needs of our clients, our commercial imperatives, and our conviction to influence all our decision-making, resulting in thoughtful contributions to society.

Introduction to Arup

Arup is a global company and the creative force at the heart of many of the world's most prominent projects in the built environment.

We have:

- approximately 13,000 people
- over 60 years experience
- projects completed in 170 countries
- over 10,000 concurrent projects
- over £1m turnover
- trust ownership

Please see attachment 1 for our Annual Report which contains financial statements for 2014.

We view our challenge as 'Shaping a Better World'. At the heart of this is a deep understanding of the issues driving the world's growing urban environments – from the effects of climate change to meeting the needs of a growing population.

Arup is owned in trust for the benefit of our employees, giving us all a genuine share in our success. Each year we set aside 40% of profits to share with our staff – an employee's share allocation is based on their grade and length of service. Profit share is paid twice a year in addition to salary.

Our independent ownership structure allows the needs of our clients, our commercial imperatives, and our conviction to influence all our decision-making, resulting in thoughtful contributions to society.

"…our lives are inextricably mixed up with those of our fellow human beings, and that there can be no real happiness in isolation…" Sir Ove Arup, November 1970.

Many of Arup's projects leave a legacy to subsequent generations: a legacy that outlasts any one individual. With over 10,000 projects at any one time, Arup is doing the best possible job for current and future generations. The power to influence the future of the built environment carries with it a weighty responsibility.

Putting sustainability at the heart of our work is one of the ways in which we exert a positive influence on the wider world. Put simply, Arup people are driven to find a better way.

Accomplishments 2015

Arup's application for formal accreditation as a Living Wage Employer was recently approved by the Living Wage Foundation, making us one of the first 1,000 UK employers to make the pledge.

Our approach to addressing gender diversity in South Africa was recognised through winning the Top Gender Empowered Company: Chemicals & Construction at the 11th annual Top Women's Awards. This considered gender balance (30% female staff, 10% and above female senior management), and investment made in skills development for women.

We hosted an event to celebrate Connect Cultures network, set-up as part of our diversity approach, to promote awareness and to understand the benefits of cultural, religious and ethnic diversity in the workplace. Our guest, David Lammy, MP for Tottenham, shared some personal experiences, and provided thoughts on how companies can encourage greater diversity in the workplace.

In recognising our diversity, Arup employees took part in a range of events to help celebrate Heritage Day in South Africa (24th September). This celebrated the diverse cultures, beliefs and customs that exist within South Africa.

Environment and Sustainability

Our approach to the environment and sustainability continues to be recognised, e.g. through industry awards:

- Institution of Civil Engineers - Believe in Better Building – award for innovation and sustainability – the UK's first medium-rise commercial office to be built with an engineered timber frame.
- Institution of Civil Engineers - Designed in London – award for an inspirational suspension bridge in Panama, a project the judges recognised as transforming the lives of a community.

B

United Nations Global Compact:
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B: Human Rights

This section relates to the UNGC principles:

- Principle 1: Business should support and respect the protection of internationally proclaimed human rights
- Principle 2: Business should make sure that they are not complicit in human rights abuses

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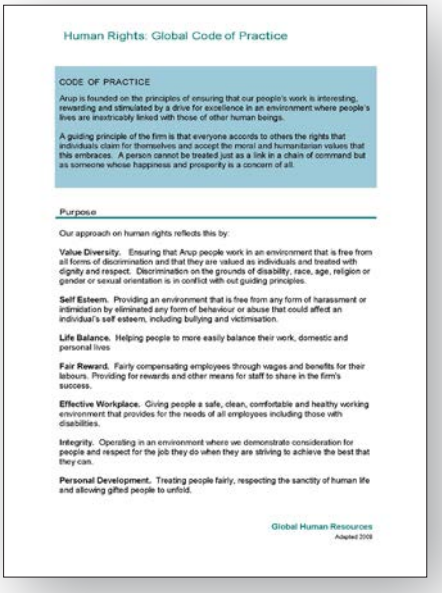
B Human Rights

Principle 1: Business should support and respect the protection of internationally proclaimed human rights
Principle 2: Business should make sure that they are not complicit in human rights abuses

Commitment



Human Rights: Global Code of Practice

CODE OF PRACTICE

Arup is founded on the principles of ensuring that our people's work is interesting, rewarding and stimulated by a drive for excellence in an environment where people's lives are inextricably linked with those of other human beings.

A guiding principle of the firm is that everyone accords to others the rights that individuals claim for themselves and accept the moral and humanitarian values that this embraces. A person cannot be treated just as a link in a chain of command but as someone whose happiness and prosperity is a concern of all.

Purpose

Our approach on human rights reflects this by:

Value Diversity. Ensuring that Arup people work in an environment that is free from all forms of discrimination and that they are valued as individuals and treated with dignity and respect. Discrimination on the grounds of disability, race, age, religion or gender or sexual orientation is in conflict with out guiding principles.

Self Esteem. Providing an environment that is free from any form of harassment or intimidation by eliminated any form of behaviour or abuse that could affect an individual's self esteem, including bullying and victimisation.

Life Balance. Helping people to more easily balance their work, domestic and personal lives

Fair Reward. Fairly compensating employees through wages and benefits for their labours. Providing for rewards and other means for staff to share in the firm's success.

Effective Workplace. Giving people a safe, clean, comfortable and healthy working environment that provides for the needs of all employees including those with disabilities.

Integrity. Operating in an environment where we demonstrate consideration for people and respect for the job they do when they are striving to achieve the best that they can.

Personal Development. Treating people fairly, respecting the sanctity of human life and allowing gifted people to unfold.

Global Human Resources

Adapted 2008

Arup supports and respects the protection of internationally proclaimed human rights, such as United Nations Universal Declaration of Human Rights, and ensures that it is not complicit in human rights abuses.

Our founder, Sir Ove Arup, believed that our work should be both sensitive to the environment and also have a social purpose. His early commitment to the principles of sustainability continues to influence us today, not only in the way we conduct our business, but in how we treat our people and the way in which we interact with our communities and society at large.

We have a written Global Human Rights Code of Practice. Please see attachment 2. This code states that:

- Arup is founded on the principles of ensuring that our people's work is interesting, rewarding and stimulated by a drive for excellence in an environment where people's lives are inextricably linked with those of other human beings.
- A guiding principle of the firm is that everyone accords to others the rights that individuals claim for themselves and accept the moral and humanitarian values that this embraces. A person cannot be treated just as a link in a chain of command but as someone whose happiness and prosperity is a concern of all.

Our approach to human rights covers the following areas:

- Diversity
- Self esteem
- Life balance
- Fair reward
- Effective workplace
- Integrity
- Personal development
- Acting honourably
- Social responsibility
- Respect

Our Mission Statement

“ To shape a better world”

- To enhance prosperity and quality of life
- To deliver real value
- To have the freedom to be creative and learn

A better world is one that provides improved living conditions for its inhabitants while addressing fundamental environmental, social and economic concerns. Through our projects, we seek to create places where people are safer, healthier, enjoy greater amenity, are inspired by their environments and find new opportunity and prosperity. By creating sustainable and equitable environments, each and every one of us can positively influence the future of the communities where we live and work.

Our Approach

Our Business

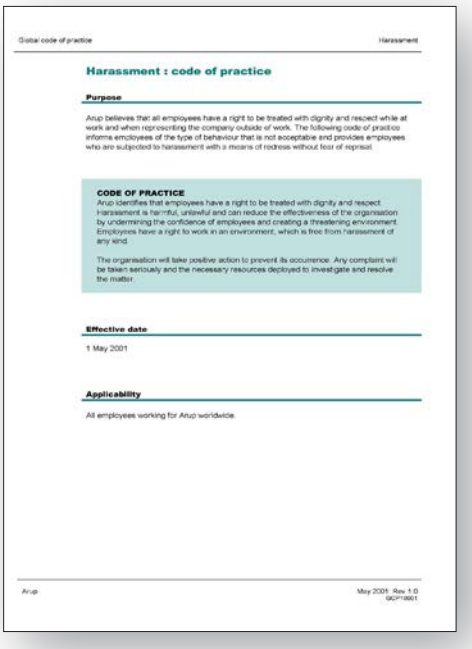
Key Speech

A speech written and delivered by our founder Sir Ove Arup in 1970, that defines who we are, and sets out our core values and guiding principles. The Key Speech is the high-level framework that guides appropriate behaviour within the firm. The speech sets out the firm’s humanitarian attitude which “leads to the creation of an organisation which is human and friendly in spite of being large and efficient...this attitude also dictates that we should act honourably in our dealings with our own and other people... Humanitarianism also implies a social conscience, a wish to do socially useful work, and to join hands with others fighting for the same values.”

All employees receive a copy of the key speech as part of their induction. Please see attachment 3.

Global Human Rights Code of Practice

Arup’s written Global Human Rights Code of Practice sets out the firm’s expectation and approach on human rights. It is available to all staff via the company intranet. Please see attachment 2.



Global code of practice | Harassment

Harassment : code of practice

Purpose

Arup believes that all employees have a right to be treated with dignity and respect while at work and when representing the company outside of work. The following code of practice informs employees of the type of behaviour that is not acceptable and provides employees who are subjected to harassment with a means of redress without fear of reprisal.

CODE OF PRACTICE

Arup identifies that employees have a right to be treated with dignity and respect. Harassment is harmful, unlawful and can reduce the effectiveness of the organisation by undermining the confidence of employees and creating a threatening environment. Employees have a right to work in an environment, which is free from harassment of any kind.

The organisation will take positive action to prevent its occurrence. Any complaint will be taken seriously and the necessary resources deployed to investigate and resolve the matter.

Effective date

1 May 2001

Applicability

All employees working for Arup worldwide.

Arup | May 2001 Rev 1.0 GCP-1661

Global Harassment Code of Practice

Arup believes that all employees have a right to be treated with dignity and respect while at work and when representing the company outside work. The Global Harassment Code of Practice informs employees of the type of behaviour that is not acceptable and provides employees who are subjected to harassment with a means of redress without fear of reprisal. We also have a local Harassment and Bullying UK Policy which describes unacceptable conduct and provides additional guidance on resolving any incidents. Please see attachment 4.

Global Health & Safety Policy

Arup promotes the health and safety at work of all employees including temporary and contract staff, and of other persons affected by our actions. The firm has set objectives to provide health and safety training, specialist advice, information instruction and supervision, as may be necessary, to personnel at all levels. The firm operates within a management system that is registered as meeting the requirements of OHSAS 18001 or equivalent. Please see attachment 5.

Disciplinary Procedure

The disciplinary procedure is designed to be supportive and to encourage improvements in individual conduct and performance. Disciplinary action follows for individuals who abuse Arup's policies and procedures, including the Global Human Rights Code of Practice, and for any "actions which undermine working relationships with colleagues and / or other organisations, or which may compromise our integrity as a firm and our honourable dealings with people.

Our Facilities

Sustainable Procurement

Arup's commitment to Human Rights in its procurement is managed through the sustainable procurement plan which feeds into Arup's sustainability strategies. The plan is built on six themes which are:

- Environmental management
- Supplier equality and diversity
- Support of fair practices in our supply base
- Ethical trading
- Promoting fair employment practices
- Community benefits

Each supplier's sustainability ethos is a key feature within Arup's tendering process to select responsible suppliers. Furthermore, Arup works to engage its suppliers in working together to deliver improved sustainability performance

We embed all aspects of our sustainable procurement vision, and category specific deliverables into our request for proposal (RfP) processes. In 2015, Arup tendered our contract for supply of photocopier/printers. The delivery of improved energy consumption technology to prevent wasted prints and unnecessary colour prints was integral to the schedule of requirements.

Power consumption changes will help reduce power usage by half compared with the old fleet, and environmentally sustainable waste management ensures Arup remains committed to its environmental values.

We are also revisiting our cleaning and catering provision in which reflecting our commitment to Living Wage (across the UK) for outsourced staff is a key requirement.

Activities and Implementation

Our People

Communication of Policies and Procedures

All employees are made aware of our strategies, policies and procedures with respect to human rights, equal opportunities, diversity and inclusion, sustainability, performance, and harassment. These are also made available to all staff via our intranet and our human resources team.

As a humane organisation we aim for zero incidents of harassment, bullying and grievance.

In the event of a breach of our policies or a reason for grievance, we provide guidance for informal and formal resolution in our Local Harassment and Bullying UK Policy. This also identifies the roles and responsibilities of our managers, our human resources team, and our staff. Please see attachment 4.

Guidance for staff on how to resolve human rights issues is provided within our harassment, bullying, grievance and other Arup Management System (AMS) policies and procedures, and from our human resources team. The AMS is compliant with ISO 9001:2008, OHSAS 18001:2007 and ISO 14001: 2004.

Training and Support

We provide training in Health and Safety, sustainability, and diversity and gender bias awareness for leaders and recruiters. Our employee support includes networks, forums, and events for female and LGB staff, and staff from minority groups and all religions and cultures.

Our Facilities

Sustainable Procurement

The sustainable procurement plan contains specific categories of goods and services that are defined as priority areas through a sustainability risk assessment incorporating these themes. These priority areas are then managed through individual category plans developed to solely focus on improving the sustainable procurement of the goods and services. The category plans are used to embed our sustainability requirements in our processes for supplier selection, goods /services specifications, contracts and contract management. Sustainable procurement implementation varies depending on the particular features of the goods and/or services purchased within each category.

Outcomes and Progress

Our Business

Arup is working in partnership with the Global Program for Safer Schools, where the development objective is to protect children and their families, reduce the physical impact of disasters on school infrastructures, and minimise the negative educational outcomes resulting from disaster.

We are providing technical support to various World Bank teams during the preparation and implementation of Global Facility for Disaster Reduction and Recovery (GFDRR) financed activities in the education sector.

This support will focus on engineering, capacity assessments of contractors and builders, procurement and contract management, quality assurance environment, and other aspects of school infrastructure delivery. Furthermore, Arup is working with the Global Program for Safer Schools (GPSS) on developing a guidance note for the preparation of safer school technical assistance (TA) projects, and supporting the development of a global handbook on community based construction.

SHARPER is an Arup Global Research Challenge 2014 and Natural Environment Research Council (NERC) funded research project. This will address the health impacts of extreme weather events for ageing and elderly populations in three cities: London, New York and Shanghai. The project will establish a network of collaborators in each city, collect relevant datasets, and develop vulnerability indices relating to the location and characteristics of people, properties and neighbourhoods. The aim of this project is to inform policies and practices relating to healthy and resilient cities in response to the global trends of ageing urban populations and climate change. Arup is leading the project, working collaboratively with a multidisciplinary team of health and climate change experts from academia, the private sector, local government and non-governmental organisations, including University College London, King's College, ClimateUK, HelpAge International, and Satellite Applications Catapult.

Our People

We confirm that in the last three years we have not been the subject of a formal investigation by the Equality and Human Rights Commission or an equivalent body, on the grounds of unlawful discrimination, and no findings have been made against us.

Health and Safety

Our Global Sustainability Strategy defines measures of success which includes the health and safety of our staff (e.g. lost time accidents).

- Lost time accidents for 2013 - 2014: 1 per 100,000 employee hours.
- Accident Incident Rate for 2014 - 2015: 0 per 1000 employees.
- Accident Frequency Rate for 2014 - 2015: 0.04 per 100,000 employee hours.
- LA6: We have a pro-active UKMEA Health & Safety Committee which meets every three months with 21 representatives from across the region and business groups.
- LA8: We have provided asbestos awareness training in the UK to 290 people in the last year.

Arup is registered with the following construction industry Health and Safety Accreditation schemes: BuildingConfidence (number 301148), CHAS, RISQS (number 060548), Safecontractor (number TM3454), SMAS (number 20464) and UDBV Verify (number 060548) and OHSAS 18001 certification (LRQ 4003789).

Our Facilities

Sustainable Procurement

Examples of our activities include:

- Working with our catering supplier to source and purchase fair trade and rain forest alliance certified products such as coffee, tea, sugar and bananas, and verifying the authenticity of the stated certification.
- Ensuring the application of the London Living Wage for contracts with our suppliers of on-site services such as catering, cleaning, security and reception
- Ensuring all disposable packaging is biodegradble and/or recyclable
- Reviewing our supply base to ensure that there are no and will be no anti-competitive inctances.

Our Awards

In March 2015 our Hong Kong office was presented with the Caring Company Award for the tenth consecutive year by the Hong Kong Council of Social Service, to recognise our continued commitment to corporate social responsibility and our demonstration of our caring concerns for the community, employees, and the environment.

Arup Hong Kong staff receiving their Caring Company award

C

United Nations Global Compact:
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C: Labour

This section relates to the UNGC principles:

- Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Business should uphold the elimination of all forms of forced and compulsory labour
- Principle 5: Business should uphold the effective abolition of child labour
- Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation

ARUP

C Labour

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

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

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

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

Commitment

Arup is committed to the principles listed above. We recognise that to produce work of high quality, to maintain our reputation for innovation and creativity and to understand and delight our clients we need to fully embrace the skills, talents and knowledge that only a diverse workforce can offer.

We work to ensure that everyone feels that their contribution is valued and their successes are celebrated through our process and through our training and development, which encourages knowledge sharing, intellectual growth and stimulation.

We are committed to the ILO's fundamental principles and rights at work including:

- freedom of association and the effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

Subject to the relevant laws in the countries where we operate, we fully respect the right of our people to freedom of association and representation.

We aim to ensure that our people have satisfactory wages and working conditions and that there is no exploitation of labour.

We do not employ individuals that are younger than the legal school leaving age.

We ensure that Arup people work in an environment that is free from all forms of discrimination - gender, race, origin, background, religion, marital status, sexual orientation, disability or age, and that they are valued as individuals and treated with dignity and respect.

Addressing gender imbalance in Arup is our priority in a wider diversity drive. We believe improving gender balance will help us to nurture creativity and innovation, tap hidden capacity for growth and improved competitiveness, and positively impact financial performance. The proportion of women employees at all grades, and the number of women in management positions has continued to rise annually since we commenced measurements in 2008.

Our Mission Statement

" To shape a better world".

- To enhance prosperity and quality of life
- To deliver real value
- To have the freedom to be creative and learn

Our Approach

Our Business

Key Speech

A speech written and delivered by our founder Sir Ove Arup in 1970, that defines who we are, and sets out our core values and guiding principles. The Key Speech is the high-level framework that guides appropriate behaviour within the firm. One of the six core principles is a "humane organisation" which should result in satisfied members. All employees receive a copy of the Key Speech as part of their induction. Please see attachment 3.

Ove Arup also said *"If we can reach a stage where each man or woman is respected for the job they do, and is doing his or her best because the atmosphere is right, because they are proud of what we are and do and share in the general enthusiasm, then we are home."*

Freedom of Association and Representation

Arup's terms and conditions are not governed by a collective agreement.

Arup is a 13,000 strong employee owned organisation. In 1977, the founder of the firm, Sir Ove Arup, gifted the firm to itself, creating a visionary arrangement based on trusts, which are responsible for the long-term custodianship of the firm for the benefit of past, present and future employees. Membership of the trusts includes past and current employees. As a self-owning organisation, we have no external shareholders, which is fundamental to the way we are organised and how we operate.

We have developed peer communications channels and we have effective formal ('Airtime') and informal channels between management and staff.

Global Sustainability Strategy

In 2013 we launched our 2013-2015 global strategy, which delivers our policy and provides a framework, setting out our sustainability expectations from the top levels of the firm. It defines our approach and responsibilities, and it enables us to maintain our position of leadership in this area. It states that "We remain committed to placing sustainability at the heart of all that we do, helping us in our mission to shape a better world." Responses from the staff sustainability survey, conducted in September 2012, were instrumental in shaping this strategy and its focus on our business, our people, our facilities and our external relationships. These areas cover our projects, client engagement, staff training, sustainable operations and community engagement.

We set global and regional targets for the numbers of women on our Boards in management positions, and regional targets for the numbers of women in our overall regional workforce. We also set targets for numbers of staff in management positions to have completed diversity and inclusion training.

UKMEA Regional Diversity Strategy

Arup has a global commitment to being an 'employer of choice' manifested in our Global Diversity Policy, Action Plan and associated training. Diversity is championed at Group Board level by Dervilla Mitchell and Region Chair Alan Belfield who are supported by Diversity and Inclusion Champion Martin Radley, and Diversity and Inclusion Programme Manager Vicky Evans. Our vision is "to create a work environment based on fairness, respect and merit which embraces difference and enables talented people to flourish." Our UKMEA region 2015-2017 Diversity Strategy was formulated to deliver this vision, and is based on seven key principles which will shape our activities going forward. Please see attachment 6.

Annual Report

Arup's Annual Report 2013-2014 contains our Corporate Report. Page 12 relates to Arup being an employer of choice. We aim to have staff with the best skills, but also from diverse cultural backgrounds. The firm creates space for staff members to make their own mark on society on their own terms, encouraging them to meet personal and professional goals. Attracting, developing and retaining the skills of people who share our values is key to the Arup business model. Please see attachment 1.

Our People

Equal Opportunities Procedure

Global and regional equal opportunities procedures exist to ensure that employment practices are applied fairly and equally. These procedures cover: recruitment, training, career development and promotion, pay, selection for redundancy, grievance and monitoring. Every member of Arup has a responsibility to uphold our equal opportunities codes of practice in order to ensure that everyone with whom we work is treated equally and honourably.
The leaders have a particular responsibility to ensure that grievances are investigated, that confidentiality is maintained and that appropriate action is taken. All senior leaders are trained in the legal obligations surrounding equal opportunities and we have an inclusive leadership programme to equip leaders to act as role models and challenge the status quo.

Conduct, Performance and Disciplinary Procedure

Our global Conduct and Performance Code of Practice provides guidance on the standards expected from all our members. The firm takes its commitment to equal opportunities very seriously. Any acts of discrimination by its members will result in disciplinary action, including termination of employment if appropriate, in accordance with the firm's disciplinary procedures. please see attachment 7 for our global Conduct and Performance Code of Practice.

Harassment Procedure

Global and local harassment procedures are in place. Any complaint of harassment will be taken seriously and the necessary resources deployed to investigate and resolve the matter and take appropriate action. Please see attachment 4.

Grievance: Code of Practice

Arup believes that all its members should have the opportunity to discuss any matter of concern with the person to whom they report. In most cases employment related matters are likely to be resolved informally in this way. If, however, the outcome of informal discussions is unsatisfactory then the issue can be addressed through the grievance procedure. For a copy of our global Grievance Code of Practice please see attachment 8.

Diversity and Inclusion: Code of Practice and UKMEA Diversity Strategy

Arup's Global Diversity and Inclusion Code of Practice sets out our aim to "recognise and respect each others' differences and strive to build a working environment where our different values and perspectives are actively harnessed to create the best solutions for our equally diverse client base". Our Diversity Strategy is built into our operating budget, and discussed at every Board meeting. The diversity and inclusiveness of our workforce is supported by our ethics on sustainability and human rights. Arup's principles of diversity and inclusion extend to our clients, our suppliers and all those with whom we choose to work. Our UKMEA region 2015-2017 diversity strategy sets measurable diversity improvement actions for this period which are described below. Please see attachment 9 for our Global Diversity and Inclusion Code of Practice.

Young and Early Career Staff

There are special UK laws to protect the employment rights of young workers (aged 16 to 18) which Arup adheres to. These concern health and safety, what jobs they can do, when they can work, and how many hours they work. Arup does not employ young people under the age of 16, in line with legislation.

The Early Career Group was formed in 2012 by the UKMEA Board. It offers a forum to discuss issues and share best practice internally, and promote collaboration both in Arup and externally for early career staff. It captures and acknowledges the ideas, opinions and concerns of those at the early stage of their careers for betterment of the firm, to make a difference from the bottom-up.

Apprentices

Arup recruits apprentices every October. In October 2014, we recruited 35 new apprentices and trainee technicians, and plan to recruit 50 in October 2015. We have set up a dedicated apprentice area on our intranet, which includes presentations and tips from previous apprentices. We have also set up an apprentice forum, an internal network where apprentices can discuss issues, and exchange ideas and news.

Flexible Benefits

To retain the best staff we offer a strong remuneration and benefits package with competitive salaries, profit share payments and a flexible benefits fund to spend on the benefits that suit individuals' requirements. Some of the inclusions in that package are: 25 days holiday plus public holidays; interest free travel season ticket loan or bicycle loan; free eye-tests; private medical insurance and life and accident insurance. The flexible benefits fund can be used to buy benefits that suit each employee, or can be taken as cash on top of their salary. Our occupational health service is an important part of our integrated health programme and helps us to minimise health risks at work and ensure fast, effective help with any health problems that affect staff well-being. These services are designed to provide a more comprehensive, responsive and integrated proposition which will help us to deliver on our new occupational healthcare vision.

Arup has been shortlisted for the Employee Benefits Awards 2015 in four categories:

- 'Benefits team of the year',
- 'Best alignment of benefits to business strategy' (for our UK benefits review: We Shape a Better World),
- 'Best flexible benefits plan' for our UK flexible benefits scheme, and
- 'Best healthcare and wellbeing benefits' for our UK health and wellbeing programme.

Flexible Working

We offer enhanced maternity and flexible working benefits above the statutory requirements. We have a flexible working policy that encourages anyone wishing to work flexibly to make a request to their line manager and find a solution that works for them. In April 2015, we introduced a new shared parental leave policy, recognising the importance of supporting working parents in balancing their home and working life. An enhanced shared parental leave pay, in addition to the statutory pay provisions, allows staff the opportunity to plan and manage the care of children in a way that suits their family circumstances.

Activities and Implementation

Our Business

Global Sustainability Strategy

Specific performance targets are established against KPIs, to gauge our progress relating to diversity and inclusion. We gather data on these metrics on a regional level, enabling us to review progress and adjust our actions for ongoing performance improvement. We report our global performance publicly in our corporate report which forms part of our Annual Report. For example we have set global target of 99% for staff working in offices with management system to ISO14001. These KPIs are cascaded to our five regional sustainability plans.

UKMEA Regional Diversity and Inclusion Strategy

This strategy has been communicated internally through a variety of channels, including: film, intranet, internal publications, and Airtime (our staff forum for communications and consultation). Staff can also send emails to diversity@arup.com which are published anonymously, to encourage further communication. The seven key principles are:

1. **Informed and measured:** We will ensure our people are informed about the importance of diversity and inclusion at Arup, empowering people to lead in an inclusive way. We will also ensure all of our people are informed about their own unconscious biases. We will collect and measure baseline diversity data to understand the characteristics of our workforce – this will allow us to measure improvement and showcase our successes. We will undertake a benchmarking exercise and adapt an appropriate quality standard to measure our performance and provide an objective view of our progress.

2. **Flexible:** We will showcase and celebrate Arup's flexible working policies which enable our people to seek different working arrangements during their careers.

3. **Connected and engaged:** We will promote an inclusive and fair culture where people feel respected, engaged, can be themselves and can speak out. This way, we will retain talent. We will provide staff with the opportunity to be connected and engaged with networks and form relationships that support them as individuals in contributing to Arup's success.

4. **Balanced:** We will work toward a balanced allocation of opportunities for all staff. We must 'level the playing field' and target support towards those groups who are currently underrepresented in leadership.

5. **Transparent and accountable:** We will apply transparent and merit-based processes to advertise, appoint and promote the best people to new roles. Leaders will be accountable for implementing positive action and involving their teams to ensure a culture that celebrates diversity.

6. **Industry leading recruiter and employer:** We want to attract and recruit the widest range of talent available and positively influence the career choices of the next generation – particularly those who may not traditionally apply to work at Arup. We want to lead by example by promoting an increased focus and adoption of diversity and inclusion to the wider industry.

7. **No nonsense communication:** We want to use effective communication to articulate the importance of diversity and inclusion at Arup, to both staff and clients. We must provide access to the latest thinking around the diversity and inclusion agenda and debunk myths.

Our People

Communication of Policies and Procedures

All employees are made aware of our strategies, policies and procedureswith respect to equal opportunities, diversity and inclusion, sustainability, performance, and harassment. These are also made available to all staff via our intranet and our human resources team.

In the event of a breach of our policies or a reason for complaint or grievance, we provide guidance for informal and formal resolution in our local Harassment and Bullying UK Policy. This also identifies the roles and responsibilities of our managers, our human resources team, and our staff.

Airtime

We have in place 'Airtime' a UK forum for staff communication and consultation. Airtime encourages us to influence our internal world, and enables us to work together to provide an environment which addresses our personal and professional aspirations.

Airtime meetings are held twice yearly as a forum for elected staff representatives to discuss internal changes. A record of each meeting is issued to all staff in the form of an Airtime Broadcast. The broadcasts are intended to engage staff and show them what issues are being considered. Staff can raise any concerns or issues they have with their elected regional representative. A regular (every other month) Airtime broadcast to UK staff helps to keep staff engaged with the Airtime team and feedback loop.

Airtime has a number of key principles:

- Enable leadership and elected staff representatives to exchange information and consult on possible changes and draft policies of significance

- Enable ideas to be harvested from the body of the firm through the staff representatives for the leadership to consider in making decisions on issues that significantly affect our professional lives
- Improve the flow of information between all members of staff

Training and Support

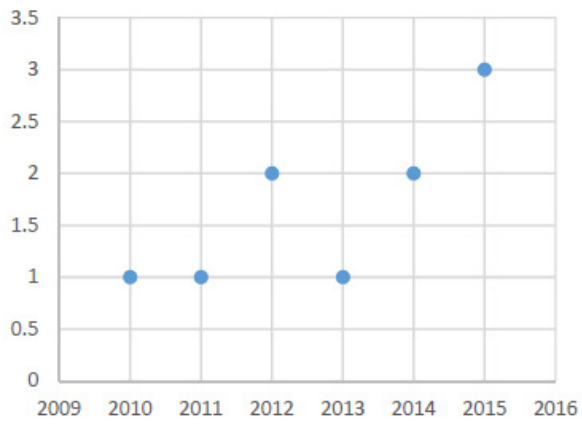
We provide in house training via a full and varied programme of courses, with information available to all staff on our employee intranet. Specific individual training needs are identified as part of employees' annual appraisals, and then included in their development plans. In addition our graduates and apprentices participate in formal training programmes to achieve professional qualifications. Courses include: technical skills, diversity awareness training such as 'Inclusive Leaders and Leadership' and Gender Bias Awareness Training for recruiters. Mentoring and guidance is available for all staff. In particular a successful womens' mentoring programme pilot, completed in our midlands Campus, is now being rolled out across our North East UK offices.

Female Leaders

We hold a series of lunches with women who show high potential, to encourage networking, familiarity and support. To celebrate the promotion of women to Director level, we hold lunch and career talks for staff to hear about female leaders' successes.

Women on the UKMEA Board of Directors

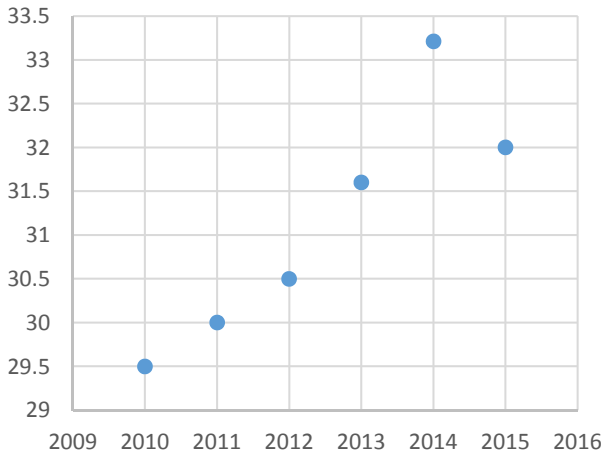
Out of 17 UKMEA board members, we currently have three who are female, and two women serving as officers. We continue to strive for greater equality and diversity throughout our business and believe that our new Diversity and Inclusion Strategy will help us to achieve this.



Number of females on the UKMEA Board of Directors since 2009

Number of women employed at all grades

The number of women employed by Arup has consistently increased over the last five years. The percentage of female staff for 2015 is currently 32% which is slightly lower compared to 2014, but this is due to the fact that we're part way through the year. We expect the upward trend to continue once the 2015 figures have been collated.



Percentage of Arup female staff since 2009

Connect Women

Connect Women is our internal network, set up in 2009, for improving the opportunities for women in Arup, to enable them to maximise their valued contribution to the firm, our clients and our industry. The Connect Women Network is open to all Arup employees (regardless of profession, position or sex) who support our aim of improving opportunities for women within our industry. In June 2015, the network hosted a talk entitled 'Taking a lead in the politics of sustainability - a woman's perspective' to discuss the politics of sustainability. The guest speaker was Baroness Parminter, and the panel was made up of two women and two men, from Arup, Crossrail and The Crown Estate.

Connect Out

Connect Out is the firm's lesbian, gay, bisexual and transgender (LGBT) network and forum, set up in 2012, and is open to all employees (regardless of profession, position or sex). Connect Out advocates a work environment that respects, welcomes and supports LGBT professionals, and empowers them to perform to their fullest potential and contribute to the greater goals of the firm.

Connect Out is supported by the UKMEA Board diversity champion, Alan Belfield and the UKMEA diversity and inclusion steering group and managed by a committee of volunteers who represent different areas of the firm and meet regularly to plan activities and initiatives. Connect

Out has also set up a diversity and inclusion forum to host employees' ongoing discussions, which is available to staff in an open or closed (confidential membership name) format.

Connect Cultures

This is the newest strand in our family of diversity networks (set up in 2013). This network aims to celebrate and promote the benefits of cultural, ethnic and religious diversity in our workplace and foster an inclusive and equal opportunity work environment that respects our individual differences and the value they can bring to the firm.

Young Engineers, Apprentices and Graduates

Our Young Engineers Site (YES) forum is an intranet network hosting young engineers' discussions, and is used for asking questions and sharing experiences and opportunities.

In October 2014, we recruited 35 new apprentices and trainee technicians based in 11 offices across the UK. The majority of the apprentices are undertaking a two year, level three qualification in either building services or civil engineering. This will lead to them achieving an apprenticeship in their relevant discipline and also the EngTech professional qualification. In 2014 we offered school work experience placements to 68 pupils, and have 37 pupils lined up for placements in 2015 so far, and plan to have recruited a total of 50 apprentices by October 2015.

Arup had six apprentices shortlisted for the ICE Quest Scholarship award 2014, with four being awarded the scholarship. The scholarships are awarded to those who are commited to civil engineering and have the potential to excel.

New apprentices and and trainee techniciams in our London office

Flexible Benefits

Arup recognises that pay and benefits are important tangible elements of our total reward approach, and aims to provide a package which attracts, retains and motivates our talented people. A range of flexible benefits is offered to staff, that can be adapted to suit their lifestlye.

We made improvements to our occupational health service during this year by changing our provider to Axa PP Healthcare, with a new internet based wellbeing information and management self service Health Gateway, and a new UK contract with Medical Express to undertake staff medicals.

Our Facilities

Sustainable Procurement Vision

Our sustainable procurement vision includes increasing diversity as an objective. We communicate this to new suppliers at tendering stage and have revised our sourcing practices, supplier questionnaires, tender scoring criteria and supplier contracts. We hold supplier conferences to inform SMEs and BMEs about Arup's sustainability vision and objectives, and to share best practice.

Outcomes and Progress

Our Business

Arup, together with leaders of major science, technology, engineering and manufacturing companies, are partners of the WISE (women in science, technology and engineering) campaign and share a determination to promote diversity. Arup's ambition is to convert commitment into practical action which makes a difference to women already working in the engineering industry. It is not simply a matter of fairness, but a business imperative as we look to maintain and enhance the UK's competitive edge.

To address this challenge, Arup is one of 20 major UK companies which have committed to a ten point plan (September 2014), based on actions which have proved to make the most difference within a science, technology or engineering environment. The ten steps have been developed by industry members and partners of the Royal Academy of Engineering and the WISE Campaign.

The ten point plan is a pledge to:

- understand the starting point and put plans in place to improve performance and monitor progress
- educate leaders and give them accountability for change
- change mind-sets by challenging bias and sexism
- be creative in job design
- make flexible working a reality for all
- increase transparency of opportunities for progression
- sponsor talented women, giving the same exposure as men and support to develop their career

- demonstrate to women that we want to retain them through career breaks and beyond
- treat the retention of women as we would any other issue affecting our core business
- share learning and good practice with our industry partners

Our People

Arup does not pay below the minimum wage.

Arup is a Living Wage employer, and was one of the first 1,000 employers to become fully accredited. This is consistent with our commitment to provide 'reasonable prosperity' to all our employees, which featured in our founder's Key Speech. That means we pay all our permanent employees above the relevant London or National Living Wage threshold, and we have an action plan in place to ensure our contractors are paid a living wage too.

We confirm that in the last three years we have not been the subject of a formal investigation by the Equality and Human Rights Commission or an equivalent body, on the grounds of unlawful discrimination.

Our Strategy

'Informed & measured'

Our global target is that 40% of leaders will have completed training on diversity and inclusion, with a future aim to increase this to 100%. 'Inclusive Leaders and Leadership' has been attended by 450 staff (out of 974) at the beginning of 2014.

In April 2015 Arup's diversity and inclusion team launched a new diversity and inclusion survey (see extract from the survey in the adjacent table), including very simple questions that cover protected characteristics; things like age, gender and sexuality. There were a number of reasons for the survey: we wanted to understand our workforce and identify which policies and practices could be more effective. Collation and monitoring of this type of data also allows us to work towards achieving the aims outlined in our Regional Strategy of recruiting, promoting and retaining the best talent from a diverse pool. With a more informed picture of our workforce, we can identify where barriers exist that prevent the best use of all available talent.

Answer options	Response percent	Response count
16-24	10.7%	295
25-34	38.8%	1073
35-44	27.2%	751
45-54	14.5%	400
55+	7.9%	219
Prefer not to say	1.0%	27
	answered question	2765
	skipped question	6

Diversity and Inclusion Survey, response to the question "please indicate the category that includes your current age in years".

Arup was the first engineering firm to sign up to the Stonewall programme. We have been working closely with Stonewall to improve our Workplace Equality Index results since joining in 2012, and our current rating places us in the top 200 firms.

'Flexible'

April 2015, we launched a shared parental leave policy, aimed at giving eligible working parents more flexibility over how they share childcare between them during the first year of their child's life or at adoption. They will be able to take it in turns to have periods of leave to care for the child, and/or take leave at the same time as each other.

'Connected & engaged'

Our three Connect networks (Connect Cultures, Connect Out and Connect Women) continue to celebrate our diversity and promote inclusion through regular events:

Three Connect Women events took place in the Middle East between February and mid-April 2015; one internal event in Dubai targeting the entire office, and an external event in each of the Dubai and Doha offices targeted our senior women clients. The Dubai sessions focused on blended leadership, and the Doha session on leadership skills. The events were well-received and generated many enthusiastic discussions.

Launched in 2013, our editorial series 'Senior women's journeys' profiles some of the most senior women in our firm, celebrating their careers and looking at what has shaped their journey. In August 2014, Group Board Member and Aviation Leader for UKMEA Dervilla Mitchell talked about her career, and a short film and article were produced documenting her journey.

Our Connect Women network organised a speed mentoring session in October 2014. Based on the format similar to speed dating, this session allowed staff to mingle with senior leaders for short periods of time and introduce themselves, ask questions about the business, and get to know the leaders a bit better.

An event entitled 'Cultural Intelligence' was hosted in April 2015 by our Connect Cultures network, to discuss how we harness the diverse cultures within Arup, to improve our employee experience and competitive edge. The event included key speakers and was followed by a debate on how Arup can make the best of our cultural assets.

Our Connect Out network screened the film 'Pride', based on a true story, in April 2015.

'Balanced'

We want our people to feel valued and for this, they need to be treated with dignity and respect. And yet we know this doesn't always happen and sometimes barriers exist which prevent everyone from being treated equally. Our diversity and inclusion strategy 2015-17 aims to address this and our approach is based on the concept that people should be valued as individuals for reasons related to their business interests, as well as for moral and social reasons.

Arup in Australia was once again recognised in November 2014 as an 'Employer of Choice for Gender Equality' (EOCGE) by the Workplace Gender Equality Agency (WGEA). Last year, 76 organisations were awarded the 2014 EOCGE citation, down from 125 in 2012.

'Transparent & accountable'

In March 2015, approximately 200 people (including over 20 directors) attended a Connect Women debate where the motion proposed was: This house believes that a step change is needed to improve gender balance on the Group and Region Boards.

The event was introduced by Susan Claris, Chair of UKMEA Connect Women, and Gregory Hodkinson, Chairman of the Group Board and Global Diversity Champion and chaired by Tim Chapman, Director, Infrastructure London. The proposal was hotly contested, but both sides agreed on many issues. Firstly, that the current gender balance in the Group and Region Boards is not representative and further action was needed to make this the case. Secondly, that there are number of options to improve this. Finally, that while it is useful to see industry norms and statistics for benchmarking purposes, Arup has always been, and will continue to be, industry leaders. Consequently participants expect the firm to be ahead of the curve.

'Industry leading recruiter & employer'

Arup celebrated National Apprenticeship week 9-13 March 2014 with a number of high profile achievements for its apprentices. Arup had six apprentices shortlisted for the ICE Quest Scholarship with four being awarded the scholarship.

Arup has also been recognised for its commitment to apprentices. We have been awarded the Employer Commitment to Apprentices Award by College of North West London for providing outstanding support to our apprentices and fostering an excellent working relationship with the college. In addition, we were recognised as one of the UK's Top 30 Employers of Apprentices in 2014 by RateMyApprenticeship.co.uk. This is a testament to our commitment to remain an employer of choice for those considering their early career options.

Erin McConahey became our first engineer to be elevated to ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Fellow in January 2015. This is a rare appointment that recognises members who have attained distinction and made substantial contributions in heating, ventilation, air-conditioning and refrigerating and the built environment through education, research, engineering design and consultation, publications, presentations and mentoring. The Society elevated only 14 members to the grade of Fellow.

'No nonsense communication'

Our diversity intranet site is refreshed regularly, and kept up-to-date with relevant policies, strategies and information on the Connect networks.

To articulate the diverse cultures within Arup, in June 2015 our Connect Cultures network published an email to all staff about the holy Islamic month of Ramadan. Staff are encouraged to recognise the importance of Ramadan for our Muslim colleagues.

Awards

We have been recognised with a Young Engineer Awards at the 37th International Association for Bridge and Structural Engineering (IABSE) Symposium, held in Madrid on 3-5 September 2014. Four Arup staff from London won the award for their outstanding paper and presentation about Bridge Tool Design and Construction of rural Suspension Footbridges. 24 of our engineers attended the Symposium and made a significant contribution to the event, including authoring papers, providing input to round table discussions and co-organising a one-day 'Bridge Design' workshop.

Yvonne Murphy, an Engineer in Arup's Cardiff office, won the Duke of Gloucester's Young Achievers Scheme, Engineering Category Award, organised by the Construction Youth Trust. The judges look for young people who have not only achieved academic success in their careers so far, but who have had to overcome barriers and challenges to get to where they are.

Yvonne has also been elected as a general member of the global Institution of Civil Engineers (ICE) council. Yvonne was the youngest on the ballot, and the only candidate from the Wales region. She competed against 20 candidates to win one of five seats, and will start her three year term of office on 3 November 2015, following the ICE President's address. As a council member, and trustee, Yvonne will be responsible for ensuring that the ICE is properly governed and administered and, most importantly, that it is fulfilling its objective, as laid down in the Royal Charter; to 'foster and promote the art and science of civil engineering'.

The Building My Skills programme won the Business in the Community Schools Partnership Award at The Responsible Business Awards 2015, held on 7 July 2015. We helped Esh Group to develop the programme in partnership with Ryder and Turner & Townsend in the 2010/11 academic year. The programme brings together businesses and schools across the north of England to provide a structured, free careers advice programme to almost 7,000 young people. Building My Skills offers young people invaluable insight into the world of work directly from employers, through timetabled careers sessions delivered by businesses. Students benefit from mock interviews, work experience and apprenticeship opportunities. A total of 49 schools in 23 local authorities have taken part, with 65 businesses contributing time and resource.

D

United Nations Global Compact:
Communication on Progress 2015

D: Environment

This section relates to the UNGC principles:

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

ARUP

D Environment

Principle 7: Business should support a precautionary approach to environmental challenges
Principle 8: Business should undertake initiatives to promote greater environmental responsibility
Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment

Sustainability is fundamental to our thinking at Arup, helping us to deliver on our mission 'to shape a better world". We are taking steps to minimise the carbon emissions associated with our operations and endeavour to prevent pollution within the scope of our activities. Our offices are the second biggest contributor to Arup's carbon footprint, after travel. We are committed to taking a resource efficient, sustainable approach to the way we run our offices.

Responsibility for our sustainability, at UKMEA regional Board level, is held by Ian Rogers (Director). Our Foresight and Innovation team is dedicated to managing the firm's global innovation programme, gathering and taking views on emerging technologies, and sharing these experiences with Arup offices and our clients around the world. Every year we invest a percentage of our profits to fund this research.

As a firm of consultants, the biggest impact we can have on the environment is through our work with clients. We try to embed sustainability in everything that we do - in the way we run our business, our projects, and our physical impacts on the external environment. We help our clients to face the challenges of sustainability by investing in our passion for turning ideas into tangible tools and methodologies.

We extend our influence at every level, from individual buildings and large portfolio owners to cities and governments. Through our many partnerships and committee memberships we disseminate best practice sustainable design. We strive to deliver better solutions for our clients and create a lasting and positive legacy for future generations.

Our Mission Statement

" To shape a better world".

- To enhance prosperity and the quality of life
- To deliver real value
- To have the freedom to be creative and learn

Our Approach

Our Business

Key Speech

A speech written and delivered by our founder Sir Ove Arup in 1970, that defines who we are, and sets our core values and guiding principles. The Key Speech is the high-level framework that guides appropriate behaviour within the firm. Sir Ove Arup established the firm over 60 years ago with the principles of 'total design' very much at the fore - the integration of the design process and the interdependence of all the professions. He also championed the social value of innovation and the humanitarian purpose of good design. Today we understand this as a commitment to sustainability. Please see attachment 3.

Sustainability Policy Statement

Arup's Sustainability Policy states that the firm will implement practices that promote economic security, social betterment and environmental stewardship and will strive for continuous improvement of performance in these areas. Please see attachment 10.

Global Sustainability Strategy

In 2013 we launched our 2013-2015 global strategy, which delivers our policy and provides a framework, setting out our sustainability expectations from the top levels of the firm. It defines our approach and responsibilities, and it enables us to maintain our position of leadership in this area. It states that "We remain committed to placing sustainability at the heart of all that we do, helping us in our mission to shape a better world." Responses from the staff sustainability survey, conducted in September 2012, were instrumental in shaping this strategy and its focus on our business, our people, our facilities and our external relationships. These areas cover our projects, client engagement, staff training, sustainable operations and community engagement.

UKMEA Regional Sustainability Plan

This plan implements the global strategy within the UKMEA region, identifies roles and responsibilities, defines areas of focus for Ian Rogers, UKMEA Director of Sustainability to report bi-monthly to the UKMEA Board. In our 2015-16 Plan, we have committed to ensuring that all staff receive a minimum of two hours sustainability training per year, as seen in the screen shot below.

Our People

We aim to give our staff the skills they need to engage with clients, and inspire them to embrace the sustainability agenda by building on their curiosity, enthusiasm and sense of purpose.

Training in the broad issues around sustainability, coupled with leadership development, is vital. Once we understand our clients' needs, we then need the skills to engage further and connect our specialists to clients in a way which delivers value.

Objectives	Actions for FY15-16	Notes
~ Include sustainability awareness briefings in staff induction programmes	Review graduate training modules to ensure sustainability is suitably covered	Likely to be integrated into existing modules as opposed to stand-alone subject
	Review e-learning modules under development and promote uptake.	
~ Inform staff about sustainability initiatives and best practice regularly	Ensure information on initiatives goes through RSP and R&L networks and appropriate news channels	Year in Perspective report is the appropriate forum for communication of best practice
~ Develop pathways for sustainability training, outlining relevant training for each discipline and grade, from 'awareness' to 'advanced'	Increase coverage and formality of inclusion of sustainability within appraisals	~ Target: 2 hours sustainability training/FTE/yr
	Support businesses to ensure adequate training is available to staff to deliver their business strategies e.g. Cities Strategy	
	Engage with Arup University to ensure businesses and skills networks are developing appropriate training pathways.	
Explore methods of better capturing informal sustainability training	Research possible approaches to better capture informal sustainability training	

~ indicates Global Sustainability Strategy objectives, KPIs and targets

Page extracted from the UKMEA Regional Sustainability Plan

Arup Management System (AMS)

The Arup Management Systems embraces Health and Safety, Quality and Environmental Management. This provides the procedures, processes, and documentation to complete our projects. The AMS has achieved a "single certificate" to ISO 9001, ISO 14001 and OHSAS 18001 covering all UK offices. The AMS captures project sustainability objectives and is used to monitor and record achievements and outstanding actions.

Our People

SusNet

SusNet is Arup's intranet site for sustainability skills, guidelines, tools and technologies. The site is an 'umbrella' or gateway for all skills in Arup that relate to sustainability. It provides access to information across a range of other sites to cover all aspects of sustainability at a business and project level. It also has a forum where people can ask sustainability / environmental questions and quickly get a response from an expert within Arup.

OvaGreen

OvaGreen is a growing global network of environmental volunteers in Arup's offices. They coordinate environmental initiatives within our offices, including: campaigns, climate week events, recycling waste, reducing energy, reviewing our purchase of products and improving our use of transport.

Our Facilities

Environmental Management System (EMS)

A strategic approach has been taken to the implementation of our EMS within Arup. Implementation occurs at the group level, with our offices seeking certification locally to the requirements of ISO 14001:2004. While all of the environmental impacts of our activities require management, the assessment of each activity and consequent impact is used as a guide to prioritise action, via risk assessments, through the EMS. These assessments results in significance ratings, calculated by considering the likelihood, severity and legal implications.

Audits and Reviews of Sustainability Performance

We carry out annual internal system audits, regular project audits and an annual management review to ensure compliance with our internal processes and management of our environmental aspects. Our environmental audit process contributes to ongoing monitoring and improvement of environmentally sustainable performance.

Sustainable Procurement Vision

Arup's Sustainable Procurement Vision aims to improve the environmental, social and ethical performance of its business by addressing these areas in the procurement of its goods and services. We communicate this to new suppliers at tendering stage and have revised our sourcing practices, supplier questionnaires, tender scoring criteria and supplier contracts. Please see attachment 11.

Activities and Implementation

Our Business

Global Sustainability Strategy

This strategy responds to staff feedback and includes our commitment to bring our sustainability approach and expertise to our projects, across all regions and all disciplines, to ultimately 'shape a better world,' develop our collaborations with clients for more sustainable design solutions, review and improve access to relevant sustainability staff training, continue to improve Arup facilities and operations' resource-efficiency, embodying our vision and values, and enabling us to 'walk the talk,' and strengthen involvement in all communities in which we operate.

Specific performance targets are established against KPIs, to gauge our progress. We will gather data on these metrics on a regional level, enabling us to review progress and adjust our actions for ongoing performance improvement. We will report our performance publicly in our annual Sustainability Plan. For example our current target is for every employee to recieve a minimum of two hours sustainability training per year, as outlined in our annual regional sustainability plan - see attachment 12.

We recognise that our firm's largest sustainability impact and influence is through our business (our projects). Our priority for 2015-16 is to deliver projects that not only meet local regulations, but achieve more sustainable outcomes, in line with client expectations and local objectives wherever we work.

Arup and the WELL Building Standard

Arup has a number of employees worldwide who have recently become Provisional WELL Accredited Professionals.

The WELL Building Standard is a new green rating system that explores relationships between health, wellbeing and the built environment. The Standard is managed and administered by the WELL Building Institute and has synergies with both LEED and the Living Building Challenge.

Version 1.0 of the Standard is optimised for commercial and institutional buildings and can be applied to three project typologies: new construction and major renovations; tenant improvements; and shell and core developments. Future refinements will address the specific requirements of multifamily residences, retail and restaurants, sports facilities and convention centers, schools, and healthcare facilities.

A number of these are open for pilot projects which gives us further opportunity to shape the programme.

Existing Buildings

With 40% of the UK's energy usage and 50% of GHG emissions being attributed to existing buildings, Arup is committed to working to reduce the impact of these assets on their local communities. We have extensive experience of assisting the property sector to embrace sustainability and transform their property portfolios. This includes the retrofitting of existing assets and development of strategies to reduce energy use and change behaviours. We have produced existing buildings survival strategy guides to help owners to plan for the future of their buildings. These guides set out and explain research on market and legislative challenges, strategies for revitalising assets, initiatives and ideas for prioritising actions, and case studies.

Asset MAP

Our building retrofitting services are underpinned by our proprietary software tool Asset MAP, which brings together architectural, engineering and financial risk analysis for us to analyse the economic and environmental improvement potential of a client's building or property portfolio. This helps us to advise clients on where best to focus any physical interventions.

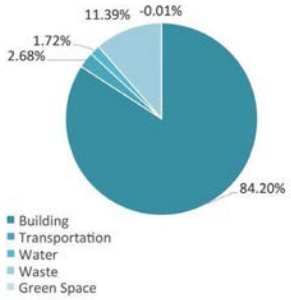
Carbon Accounting for Green Districts in China

Carbon Accounting for Chinese Cities Green District Plans: Methodology, Data and Evaluation Guidelines, a book written by our colleagues using our case studies, has recently been published.

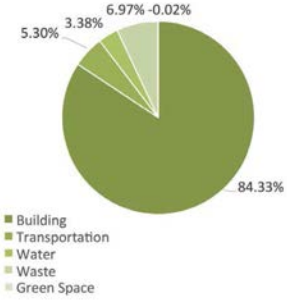
Dr. Stanley Yip, in association with Wang Jingyi, both from the Shanghai planning team, have published this guidebook for planners, designers and city decision-makers to provide a systematic, transparent and scientific method in measuring carbon emissions for district level statutory plans in Chinese cities.

The book was prepared based on Stanley's recent research on climate change and urban planning and it features selected Arup projects, including the master land-use plan for Jiangyin City and the redevelopment of the Urban Best Practice Area (UBPA) at the former Shanghai Expo site.

The book has a supporting foreword from Tang Kai, the Chief Urban Planner at the Ministry of Housing, Urban and Rural Development, and it has received a great response since its launch at the Annual China Green Building Conference in Beijing in March.



Sources of carbon emission / sequestration by sectors of the Post Shanghai Expo UPBA: baseline scenario



Sources of carbon emission / sequestration by sectors of the Post Shanghai Expo UPBA: low carbon scenario

Underwater turbines for coral reef restoration on Gili Islands

In 2000, the Gili Eco Trust (GET) in Indonesia launched a programme to foster the cultivation of new coral reefs to replace those destroyed around the Gili Islands through destructive fishing practices. A weak electrical current can accelerate the coral reef's growth process, so the GET investigated possibilities to power the restoration of the coral reefs using Biorock technology.

In 2013, we developed a technical solution for a suitable small-scale tidal turbine prototype funded through Invest in Arup. Staff from our offices in Germany, Ireland and the UK have designed a prototype which the GET is currently reproducing on site using a local workforce and local materials. The project is at an advanced stage and should be completed later this year. From then on, the tidal turbine will deliver renewable energy that allows considerable electricity savings. This simple but effective technology could be used in similar cases all around the globe, multiplying its positive impact on the environment.

Sustainable Investment Guidelines for China's largest bank

We are collaborating with Energy Foundation China, Energy Innovation Policy LLC, and Lawrence Berkeley Laboratory to prepare the first comprehensive sustainable urbanisation investment guidelines for the China Development Bank (CDB) Capital - to be completed in 2015.

We are preparing guidelines for use by CDB's investment managers, working across China. The guidelines will focus on establishing mandatory bottom lines for buildings, energy, water, waste and smart cities sectors. It will be a toolkit to guide investment and asset management decisions for CDB Capital's initial tranche of US$8bn equity investment.

Supporting UK local flood risk management workers

Our offices in Newcastle, Leeds and London have worked together with CIRIA to prepare two new guides to provide support for those working in local flood risk management: Communication and engagement in local flood risk management (C751) and Communication and engagement techniques in local flood risk management, companion guide (C752).

We prepared the guides to bring together experiences, and proven approaches to flood risk communication and engagement. They will be useful in identifying, engaging and working with people likely to be affected by flooding, or integral to its future management.

They can also be used at several stages of managing flood risk, from building engagement and awareness, and the preparation of a local flood risk management strategy or surface water management plans, through to recovery after an event and benchmarking activities.

The guidance will provide practical help for:

- Leading local flood authorities;
- District authorities and other local authority organisations;
- Sewerage undertakers;
- Other risk management authorities;
- National government, national regulator and strategic bodies;

- Environmental regulators; and
- Consultancies.

Arup shows leadership at Infrastructure Carbon Review One Year On Conference

On the 27th October 2014, senior industry leaders gathered in London to commit to take action on reducing carbon within the infrastructure sector. Arup was one of 30 organisations who have already shown leadership and committed to this important agenda and whose progress was celebrated at the conference and accompanying report.

Andrea Charlson of Arup took part in a panel discussion with Mike Putman, CEO of Skanska UK and co-chair of the Green Construction Board, among others, on leadership, emphasising how leadership needs to come from all parts of the supply chain and all levels within organisations.

Arup has committed to actively reducing carbon within the industry and will continue to explore the opportunities to influence our clients on this agenda. This builds upon our recent work with the Highways Agency assisting them in defining their carbon strategy.

How Green Infrastructure adds to our economy

Mersey Forest, on behalf of Atlantic Gateway, recently appointed Arup to produce a document demonstrating the value of Green Infrastructure as a catalyst for innovation and economic growth. The leaflet is aimed at Local Enterprise Partnerships (LEPs) in the North West of England, to encourage the inclusion of Green Infrastructure within their growth plans.

There is compelling evidence that strategic investment in Green Infrastructure adds measurable value to an economy. It provides a competitive edge, attracts investment and brings sustainable growth whilst supporting innovation and social inclusion, making the best use of the natural environment. The document demonstrates how the world's most innovative and successful economies have already whole-heartedly embraced Green Infrastructure, realising that it is vital for economic prosperity, social and eco-innovation and that it brings investment and jobs, improves citizens' health and well-being in addition to creating opportunities for leisure and tourism.

The leaflet was launched in Liverpool during the International Festival for Business at Mersey Forest's conference 'Setting the Scene for Growth – Creating Investible Places'. Director, Tom Armour, leader of Arup's Global landscape architecture business, spoke about the role of green infrastructure in delivering significant economic, environmental and social benefits in the design of our cities.

Water at the heart of climate change adaptation

We have produced a short animation on why water is at the heart of climate change adaptation. The film was shown at the COP 20 United Nations Climate Change Conference in Lima, Peru.

The animation was produced on behalf of The Alliance for Global Water Adaptation (AGWA). Membership of AGWA is by invitation only and our invitation came about due to AGWA members seeing our 'Design with Water' water cycle-based framework, and our work on resilience.

AGWA members include representatives from US State Department, US Corps of Engineers, Dutch Government, Stockholm International Water Institute, the Inland Waterways Association and the United Nations Framework Convention on Climate Change.

Completion of two major UK Energy from Waste Facilities

Arup has recently designed a number of Energy from Waste facilities, with expertise covering all aspects of design, from feasibility, to development planning.

Last month marked the completion of two Energy from Waste Facilities located in Kent and Shropshire:

Ridham Docks Biomass, Sittingbourne, Kent
The plant will use old and waste timber to generate almost 190 million kilowatt-hours of green electricity a year. Its annual capacity of 172,000 tonnes of timber will be sourced from the surrounding region.

Arup provided structural, civil, geotechnical engineering and infrastructure design for the fast paced programme with construction on a former marshland with poor ground conditions. To minimise the residual settlement after the project finished, the settlement process was accelerated. This was achieved by draining soft clay layer, allowing ground water to dissipate more quickly.

Energy from Waste, Shropshire, UK
The Shropshire Energy from Waste facility provides a high quality innovative design that reflects the context of its countryside setting. The new facility will use 90,000 tonnes of waste per annum generating 8MW of energy. Arup was the lead designer and provided structural, civil geotechnical, MEP, acoustics, fire engineering, infrastructure design and architecture services. The design adopts sustainable principles, and includes a visitors centre.

The development is adjacent to the existing Veolia household recycling centre and waste transfer station, with the façade allowing the silhouette of internal operations to be viewed, showcasing the energy from waste equipment machinery.

SPeAR® Sustainable Project Appraisal Routine

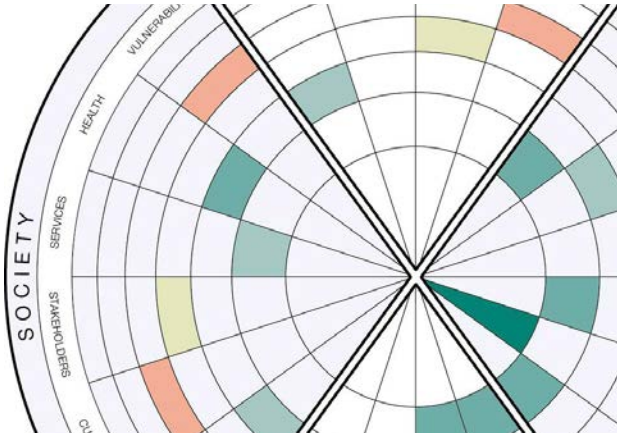
Our SPeAR® software based tool relates to environmental rating tools including LEED®, BREEAM and CEEQUAL, and was developed by Arup's software and sustainability experts to help us to support clients' sustainability goals. The tool encompasses quantitative and qualitative appraisal, based on 23 core indicators. This is presented graphically using a traffic light type system to indicate performance against key themes. A tabulated summary of the input data is also generated, ensuring that the process is robust and auditable. It can assist with improving the social, economical and environmental performance of projects, expedite planning approvals, and reduce project risks and costs. SPeAR® output is available in a range of languages including Chinese, German, Italian, Polish and Spanish.

ASPIRE (A Sustainability Poverty and Infrastructure Routine for Evaluation).

This software based tool was created to provide organisations with an analytical framework that comprehensively addresses three 'pillars' of sustainability, (environment, society, economics) and uniquely recognises institutions as a fourth critical dimension, in developing country contexts. It uses over 90 detailed indicators to ensure that users ask the right questions and consider all the critical issues. It is built on the SPeAR® platform, and has been developed by Arup International Development in collaboration with Engineers Against Poverty. ASPIRE has been used with our partner Bridges to Prosperity (B2P) to complete a retrospective assessment of the Muregeya Bridge project in Rwanda in order to test several sustainability theories, and identify gaps and any opportunities missed, so that lessons learned can be applied to future bridges. ASPIRE was also employed on the design and construction of the 46m span Ciricito Bridge in Panama.

CEEQUAL the Sustainability Assessment, Rating and Award Scheme for Civil Engineering

Arup is a CEEQUAL Project Partner, is a member of the Technical Advisory Group, and has been involved with each stage in the design development of CEEQUAL. We have one accredited verifier and 27 assessors. We routinely achieve 'Excellent' awards, and have a running total of 11 awards at interim and final stages, scoring in the Very Good and Excellent categories. These include, most recently, Bristol Water's proposed 9,400 mega-litre Cheddar Reservoir Two project.



Our People

Communication of Policies and Procedures

All employees are made aware of our strategies, policies and procedures with respect to sustainability. These are also made available to all staff via our intranet and our environmental and sustainability teams.

Training

Sustainability training in UKMEA is provided through Arup University. A range of training options are available including Designing Sustainable Buildings e-learning modules, classroom based courses such as the Sustainability Workshop for Project Leaders and Sustainable Cities. More in-depth and specialist masters courses are also offered including Smart Cities and Energy Futures and Transitions. To complement formal sustainability training, informal and ad-hoc lunch-time talks and events are organised at office level to share best practice and sustainability learning from projects.

Our target on sustainability training is 2 hours per full-time equivalent employee per year in 2014-15, and we have achieved 1.6 hours/FTE.

Forums

In addition to training we encourage regular sharing of sustainability best practice across offices and projects. We have a number of sustainability related intranet based staff communication forums for the sharing of ideas and knowledge including: Ecology, Environmental, Food and Agriculture, Landscaping and Green Infrastructure, Living Roofs, and OvaGreen.

Our Facilities

Sustainable Office Environments

We have been monitoring and reporting our carbon footprint since 2007. Our greatest source of carbon emissions is business travel, followed closely by emissions from indirect electricity generation to power our facilities. To ensure a safe and healthy workplace for our staff, we will maintain high standards of health and safety at our own offices, and require our clients to do likewise to ensure the protection of staff and their wellbeing while working on site.

Arup promotes multiple sustainability initiatives within the office environment focusing on reuse, recycling, energy consumption and behavioural change. We encourage our staff to consider their environmental impact and how we can work together sustainably and set global and regional targets to improve our facilities' sustainability performance. Our regional sustainability plan target is that 100% of our resource data will be monitored via Credit 360. Our sustainable procurement vision outlines our approach to procuring products and services.

We work closely with first-tier suppliers and encourage them to adopt sustainable behaviour. We require them to have their own environmental policies and targets, thereby influencing overall supply chain performance. Examples include: minimising deliveries of stationary and other materials, and purchasing uniforms made from recycled materials. Examples of sustainable initiatives are given below.

Office Energy Use and Supply

Arup purchases 99% renewable, Climate Change Levy (CCL) exempt electricity, where we are responsible for the supply. Energy use data for our UK offices is made available to staff through the annual sustainability report and using the Credit 360 software to generate an office specific report on all our sustainability metrics. We are improving the management, control and efficiency of our office energy use, and looking at the introduction of "continuous commissioning" and energy-led maintenance to drive on-going improvement.

Arup is a participant in the Carbon Reduction Commitment Energy Efficiency Scheme and the Energy Saving Opportunity Scheme, and as such, is currently auditing its office energy use to determine where further reductions might be possible.

As part of Arup's ongoing efforts to reduce carbon emissions per employee, an Energy Management System (EnMS) has been introduced to help manage energy usage in ten of our offices in the UK. Data is managed through an online automatic monitoring and targeting (AM&T) software platform. The system enables us to proactively capture, monitor, trend and report resource consumption and the energy performance of our buildings. The highly visual reports also spark discussions amongst staff to find ways to reduce office energy consumption. 80% occupied space in Arup UKME region has half-hourly energy monitoring.

Video Conferencing

Since 2001, we have invested in, and made extensive use of video conferencing and teleconferencing. This enables effective communication while reducing the need for excessive travel. Our global use of desktop video conference calls (via Microsoft Lync) continues to increase and we predict that desktop VC will be the main driver for face to face meetings in the future, alongside our use of meeting room VC.

Follow You Printing

Arup embeds all aspects of our sustainable procurement vision, and category-specific deliverables into our RFP processes. Arup recently tendered our contract for the supply of photocopier/printers to deliver improved energy consumption, using technology to prevent wasted prints and unnecessary colour prints.

We continue to utilise our existing print management software in the UK which reduces wasted prints by automatically deleting queued prints that are not collected within 24 hours.

Night Watchman

This power management solution controls power and shuts down connected desktop computers at a scheduled time, preventing any computers still on after staff have left from consuming power overnight.

Bicycle Facilities

Arup has cycle storage with cyclist changing rooms and showers at all main offices in London. There is an active employee community of cyclists called BUG (Bicycle User Group). Since 2008 Arup has offered a cycle-to-

work scheme in the UK, via our partners Cyclescheme, to encourage employees to enter a tax efficient bicycle rental agreement for cycling to work. We passed our landmark 1,000th cycle-to-work enrolment last year with over 1,080 participants, and more than £800,000 spent on bikes obtained through the scheme. Cyclescheme promotes the Arup scheme as an example of a successful long-running scheme with continually high engagement.

Stationery From "Green / Core" Products

Arup has a core list of stationary and office supplies from recycled, environmentally friendly and sustainable materials, which encourages the business to identify with the economic and environmental sustainability pillars. 91.6% of our printing paper is from a Forest Stewardship Council (FSC) certified source.

Office Waste and Recycling

Our offices follow the principles of waste prevention, reduction, re-use, recycling,/composting and energy recovery. We apply waste segregation and do not dispose of waste to landfill. We work with BPR who convert our waste to energy. We have a well publicised and organised waste policy and colour coded containers clearly identify the correct waste locations for our office staff. Please see attachment 15. Many items are sorted in our recycling room for reuse, including PCs and steel toe capped boots (reused in Africa), and other items which are donated to charities. We have been trialling food composting in our London offices with some success, however, we are also looking at the possibility of introducing anaerobic digestion as an alternative to composting in the near future. The business across the UKMEA region has grown considerably since last year. Despite the increase in overall waste production, the generation of waste per employee has reduced from 171kg per employee in 2011, to 117 kg per employee in 2014.

Other

Further environmentally responsible initiatives include using all FSC sourced materials for furniture, and procuring fair trade or fairer trade food items. We work with all our suppliers, particularly in catering, to reduce packaging. An example is our fruit suppliers who now deliver in re-used plastic crates rather than cardboard boxes and paper wrapping. We also employ rainwater harvesting in our London offices.

In the UK, we introduced a Green Car scheme in July 2014, in partnership with Hitachi, where each employee can obtain a new, low-emission vehicle to replace their older, more polluting model. We have approximately 65 employees who have obtained a new, low-emission vehicle from the Green Car Scheme since its launch. Our fleet's average CO_2 emission of 86g/km makes ours the most efficient salary sacrifice scheme on Hitachi's books. That is in large part due to the 120g/km CO_2 emission cap we chose for the scheme, as we wanted it to be a genuinely sustainable and environmentally-friendly benefit.

Our External Relationships

Global partnership with C40 to tackle climate change

We have consolidated our six-year relationship with the C40 Cities Climate Leadership Group (C40), a network of 75 of the world's megacities taking action to reduce greenhouse gas emissions and adapt to climate change.

Over the next three years we will invest $1m, matched by the C40 in fees, to create a $2m research programme. This funding will allow us to develop rigorous research and technical knowledge that will help improve the measurement, management and strategic planning of climate action in cities.

Current research projects include the third instalment of our Climate Action in Megacities series, together with analysis of the powers held and barriers faced by city mayors when taking climate action. We are also working with C40 to develop innovative visualisation tools to improve communication of C40 data, and exploring how smart technology can support citizen participation in C40 cities.

Our partnership with C40 helps to elevate our reputation as a strategic advisor and agent of change on climate action in cities. The first major work from our partnership will be launched globally on 1 July at the World Summit on Climate and Territories and at a client event at our London offices.

Outcomes and Progress

Our Business

Annual Report

Our Annual Report provides a snapshot of Arup's performance for the previous financial year, highlighting some of the work our teams have carried out around the globe over the year.

Our unique ownership structure means we are not obliged to report on our performance in the same way as listed companies, but we strive to be an open and inclusive organisation and the report provides us with an opportunity to share some of the things we do every day with a wider audience. The report provides an insight into the firm,

allowing clients, partners and stakeholders to share the aspirations we have for shaping a better world in all sorts of ways, large and small. It also highlights our ongoing commitment to creating a more sustainable and resilient built environment for the future, and includes our financial statement for the period.

Our Facilities

Sustainable Offices

100% of Arup UKMEA region staff are working in offices with an EMS certified to IS014001. This exceeds our original global target of 95%. Our annual UVDB Verify Management System Evaluation, by Achilles Information Ltd, scored 91.5% for Health & Safety, 94.9% for Environment and 96.9% for Quality in July 2014. The Onsite Assessment scores for July 2014 were 92.2% for Health and Safety, 96.4% for Environment and 100% for Quality.

Our global target total paper consumption per full time employee is a reduction of 15% compared to 2011/12 paper use, which was 36kg per employee.

In the UKMEA region, paper consumption per full time employee per year was 29kg per person in 2013/14. The target for that year was 30.6kg per employee. Overall ,this was a reduction of over 15% in kg paper per employee.

Our global target for greenhouse gas emissions is a maximum of 3.0t CO2 per employee per year by the financial year 2014 -2015.

The 2013/14 emissions were reduced by half a tonne per employee. For this year, the calculation method was updated to include radiative forcing from air travel. This was also applied to the 2012/13 and 2011/2012 figures retrospectively, so they would be comparable.

Our Business Awards

Highly commended at Energy Awards 2014, UK

As part of the Virgin Media Cooling Partnership Framework, Arup was ‘highly commended’ for the Energy Efficient Partnership of the Year Award at the recent Energy Awards 2014, held in London.

Under our national framework agreement with Virgin Media we have been working alongside specialist contractors (Foster Environmental Ltd and UpNorth Group) to deliver cooling efficiency improvements across the Virgin Media technical estate.

The Cooling Partnership Framework has delivered efficiency improvements to reduce operating costs, improve resilience and enable growth in over 60 technical sites across the Virgin Media technical estate, over the last four years. We also provide Virgin Media with a wide range of design and project management services.

Our Project Awards

Product Design wins Green Good Design Award

The Craft range of LED High-Bay lighting has won a Green Good Design 2015 Award. Our Product and Lighting Designers designed the Craft range which was manufactured by Zumtobel for the illumination of industrial environments.

The Green Good Design Awards were founded in 1950 by Eero Saarinen and Charles and Ray Eames. They are one of the most established and respected award programmes for the most innovative and sustainable new product designs worldwide.

The judging panel commented “Craft sets new standards for energy efficient lighting, reducing power consumption whilst providing better light emission for its intended factory and logistics centre applications.” Since its launch in 2013, the Craft range has also received German Design Council, iF and Design-Plus Awards.

In May, we launched a mini version of the Craft product called ‘Craft S’. Craft S delivers up to 7,500 lumens of light with an efficiency of 115 lumens per watt. The one piece die cast aluminum housing draws cool air through the fitting to expel heat from the LED boards using the heat stack effect, extending the product lifespan. Craft offers an energy saving of up to 50% compared to more traditional high-bay products.

Best Practice in Innovation award at CIEEM Awards, UK

Our work with The Crown Estate on the London Portfolio Ecology Masterplan has been awarded the Best Practice Award for Innovation at the recent Chartered Institute of Ecology and Environmental Management (CIEEM) awards.

Our Sustainability, Ecology, and Integrated City Planning teams, supported by Digital and Visual Communications teams prepared the masterplan. It provides a long-term guide for the installation of green infrastructure throughout The Crown Estate’s London portfolio. It aims to provide valuable habitats for wildlife on and around buildings, enhancing city resilience and creating an ‘urban green corridor’ between Regent’s Park and St James’s Park.

The benefits of this strategic approach are now being extended throughout the West End. Working with The Crown Estate, we have created an ecology partnership with neighbouring property owners to be known as ‘Wild West End’. The partners (Grosvenor Britain & Ireland, The Portman Estate, Howard de Walden and Shaftesbury) will commit to continue to invest in green infrastructure initiatives for their own portfolios and work collaboratively to deliver a linked network of green spaces across the West End.

Our External Relationships

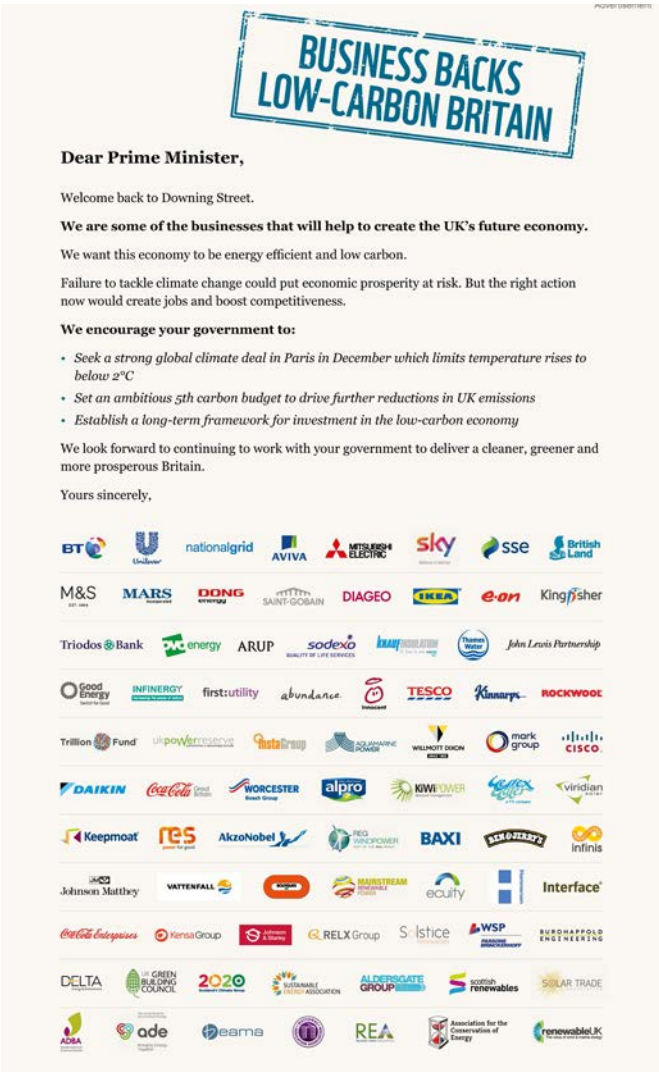
Sustainability organisations and institutions:

Arup is:

- a founding member of the Australian Green Infrastructure Council,
- a founding member of the the UK Institute of Sustainability,
- a member of the US Green Building Council (Gold level),
- a member of the Green Building Council of Australia
- a member of the Russian Green Building Council (Platinum level),
- a sponsor of the Chartered Institute of Ecology and Environmental Management,
- an affiliate of the Chartered Institution of Waste Management, and
- a member of Renewable UK.

The firm's ambition to engage with organisations that share our values and ambition to promote sustainability leadership means Arup has worked closely with partners such as the World Economic Forum to highlight the multi-billion dollar market potential for energy-efficient buildings. This is a vital contribution as buildings are responsible for 40% of the world's energy consumption and generate 40% of all carbon emissions. As such, retrofitting buildings to improve their energy efficiency presents a tremendous opportunity to reduce costs and impact on the environment.

Arup is also supporting the WWF's call to the British government to build a low-carbon economy. In an open letter to the Prime Minister published in the Financial Times on the 10th June 2015, Arup, along with 80 other UK businesses, call on the government to take action to combat climate change. WWF-UK is leading calls for a new approach to governance that places low-carbon growth and the responsible management of natural capital at the heart of economic policy. See attachment 13 for an enlarged version of the letter below.



BUSINESS BACKS LOW-CARBON BRITAIN

Dear Prime Minister,

Welcome back to Downing Street.

We are some of the businesses that will help to create the UK's future economy.

We want this economy to be energy efficient and low carbon.

Failure to tackle climate change could put economic prosperity at risk. But the right action now would create jobs and boost competitiveness.

We encourage your government to:

- *Seek a strong global climate deal in Paris in December which limits temperature rises to below 2°C*
- *Set an ambitious 5th carbon budget to drive further reductions in UK emissions*
- *Establish a long-term framework for investment in the low-carbon economy*

We look forward to continuing to work with your government to deliver a cleaner, greener and more prosperous Britain.

Yours sincerely,

E

United Nations Global Compact:
Communication on Progress 2015

E: Anti Corruption

This section relates to the UNGC principles:

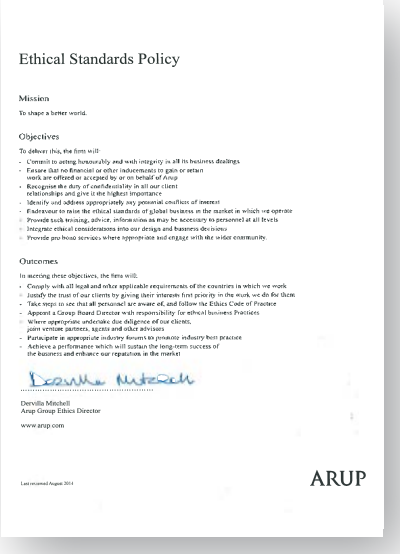
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

ARUP

E Anti Corruption

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

Commitment



Ethical Standards Policy

Mission

To shape a better world.

Objectives

To deliver this, the firm will:

- Commit to acting honourably and with integrity in all its business dealings
- Ensure that no financial or other inducements to gain or retain work are offered or accepted by or on behalf of Arup
- Recognise the duty of confidentiality in all our client relationships and give it the highest importance
- Identify and address appropriately any personal conflicts of interest
- Endeavour to raise the ethical standards of global business in the market in which we operate
- Provide such training, advice, information as may be necessary to personnel at all levels
- Integrate ethical considerations into our design and business decisions
- Provide pro bono services where appropriate and engage with the wider community.

Outcomes

In meeting these objectives, the firm will:

- Comply with all legal and other applicable requirements of the countries in which we work
- Justify the trust of our clients by giving their interests first priority in the work we do for them
- Take steps to see that all personnel are aware of, and follow the Ethics Code of Practice
- Appoint a Group Board Director with responsibility for ethical business Practices
- Where appropriate undertake due diligence of our clients, joint venture partners, agents and other advisors
- Participate in appropriate industry forums to promote industry best practice
- Achieve a performance which will sustain the long-term success of the business and enhance our reputation in the market

Dervilla Mitchell
Arup Group Ethics Director

www.arup.com

Last reviewed August 2014

ARUP

Our written Ethical Standards Policy, defines our core objectives as to:

- commit to acting honourably and with integrity in all its business dealings
- ensure that no financial or other inducements to gain or retain work are offered or accepted by or on behalf of Arup
- endeavour to raise the ethical standards of global business in the market in which we operate
- provide such training, advice, information as may be necessary to personnel at all levels
- integrate ethical considerations into our design and business decisions
- provide pro bono services where appropriate and engage with the wider community.

We are committed to maintaining our record of zero incidents of bribery and corruption.

Our Mission Statement

“ To shape a better world”.

- To enhance prosperity and the quality of life
- To deliver real value
- To have the freedom to be creative and learn

Our Approach

Our Business

Key Speech

A speech written and delivered by our founder Sir Ove Arup in 1970, that defines who we are, and sets our core values and guiding principles. The Key Speech is the high-level framework that guides appropriate behaviour within the firm. One of the six core principles is “straight and honorable dealings”.

Our global codes of practice support this and appropriate policy level statements are supported by local procedures as necessary. All employees receive a copy of the key speech as part of their induction. Please see attachment 3.

Ovacode

Ovacode sets our conditions of employment for all staff. This reinforces our Global Conduct and Performance Code of Practice and Ethical Standards Policy.

Member of Anti-Corruption Organisations

Arup is a member of the World Economic Forum – Partnering Against Corruption Initiative (PACI) and the UK Anti-Corruption Forum.

Working Globally

As an international consultancy the anti-bribery laws of many jurisdictions apply to our business. On this basis we have developed extensive policies / code of practice and procedures to ensure compliance.

Political Donations and Financial Inducements

Arup does not make political donations. Arup will not, in any circumstances make or offer to make a payment or transfer anything of value for the purposes of improperly obtaining or retaining business or any other improper business advantage.

Arup does not permit ‘facilitation’ payments made to expedite or guarantee government services that we are legally entitled to e.g. connection of water, customs clearances) as these are prohibited in most countries.

Global Conduct and Performance - Code of Practice

“All members of Arup are expected to act in a professional and competent manner in all aspects of their work. In support of this, the firm’s role shall, wherever practicable, be to give advice and guidance in accordance with its disciplinary procedure.” Please see attachment 7.

Ethical Standards Policy

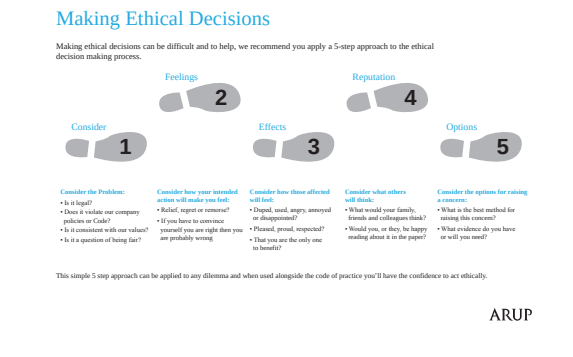
This sets our ethical objectives as a firm (as listed previously under the commitment heading). Please see attachment 14.

Ethics Global Code of Practice / Procedure

This sets out our ethical values and is intended to provide guidance on acceptable business practice to ensure that these values, principles and standards are being met across a range of areas including: financial inducements, third parties, gifts and entertainment, competition, confidentiality, conduct and performance at work, client activity, conflict of interest, political contributions and asking questions and raising concerns. We believe that our Ethical Standards Policy and Ethics Code of Practice and Procedure are in line with the Bribery Act 2010 and the US foreign Corrupt Practices Act 1977 and other relevant legislation. Please see attachment 14.

Ethics Guidance on Making Ethical Decisions

This gives a five step process to assist staff with making ethical decisions. Please see attachment 14.



Making Ethical Decisions

Making ethical decisions can be difficult and to help, we recommend you apply a 5-step approach to the ethical decision making process.

Consider 1 — Feelings 2 — Effects 3 — Reputation 4 — Options 5

Consider the Problem:
- Is it legal?
- Does it violate our company policies or Code?
- Is it consistent with our values?
- Is it a question of being fair?

Consider how your intended action will make you feel:
- Relief, regret or remorse?
- If you have to convince yourself you are right then you are probably wrong

Consider how those affected will feel:
- Duped, used, angry, annoyed or disappointed?
- Pleased, proud, respected?
- That you are the only one to benefit?

Consider what others will think:
- What would your family, friends and colleagues think?
- Would you, or they, be happy reading about it in the paper?

Consider the options for raising a concern:
- What is the best method for raising this concern?
- What evidence do you have or will you need?

This simple 5 step approach can be applied to any dilemma and when used alongside the code of practice you'll have the confidence to act ethically.

ARUP

Anti Corruption Links

Our UK intranet provides guidance on the Bribery Act 2010 for the Infrastructure Sector from the UK Anti Corruption Forum.

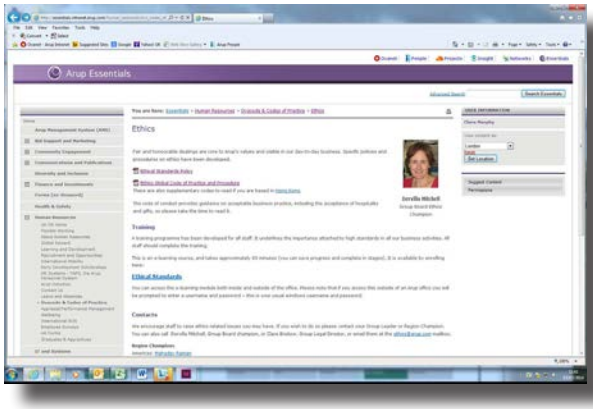
Anti-Bribery and Due Diligence Check List

Our intranet area includes guidance on issues to consider when working on a project including anti-corruption provisions in our contract terms, the appointment of partners or sub-consultants

Our People

Communication of our Policy, Code and Procedure

The Arup Ethical Standards Policy and Ethics Code of Practice is communicated to all members of staff, is freely available via our employee intranet and is referred to in the Ethical Standards training that all staff are required to complete.



Example Ethics Intranet Page

Partners and Sub consultants

Arup is committed to undertaking appropriate due diligence on all agents and joint venture partners, and where appropriate, sub consultants that we work with. The Arup standard form sub-consultancy agreements require our sub-consultants to comply with all applicable laws and regulations relating to anti-bribery and anti-corruption. They must have and maintain in place, throughout the term of their appointment, their own policies and procedures to ensure compliance. This includes requirements for them to have anti-corruption programmes, client, project and partner ownership and funding arrangements. The complete document forms the basis of risk assessments and covers the country, client, project, partners, and agents associated with any proposed project.

Disciplinary Procedure

The disciplinary procedure is designed to be supportive and to encourage improvements in individual conduct and performance. Disciplinary action follows for individuals who abuse Arup's policies and procedures, including the Ethical Standards Policy, and for any "actions which undermine working relationships with colleagues and / or other organisations or which may compromise our integrity as a firm and our honourable dealings with people. Please see attachment 7.

Activities and Implementation

Our Business

Global Ethics Code of Practice and Procedure

As previously mentioned, this procedure provides practical guidance on acceptable behaviour across a range of areas.

Conflicts of Interest

Arup's philosophy is based on acting honourably in our dealings with our own and other people. Our Ethical Standards Policy addresses the responsibility of each of our employees with regard to the fiduciary duties they owe. We supplement this with a

Our People

Communication of Policies and Procedures

All employees are made aware of our strategies, policies and procedures with respect to ethics and anti-corruption. These are also made available to all staff via our intranet and our human resources team.

In the event of a breach of our policies, or a reason for complaint, we provide guidance for resolution in our Global Ethics Code of Practice and Procedure.

Communications Channels for Reporting Concerns

Arup has a dedicated intranet area for ethics, which is kept up to date with the latest relevant policies and procedures.

Our Global Ethics Code of Practice and Procedure includes guidance for staff on how to raise queries and concerns. Arup commits to investigate all potential breaches of this policy, that are reported in good faith, responsibly. This includes the following: "If you have a concern or suspect that a breach of this policy has occurred or may occur, you have a duty to report these concerns." Reporting can be undertaken anonymously, although staff are encouraged to identify themselves to enable a full investigation. All questions or reported suspected breaches can be directed through the staff member's Group Leader in the first instance, but where this is not possible or appropriate, employees may choose to contact Dervilla Mitchell, the nominated member of the Arup Group Board.

This also identifies the roles and responsibilities of our managers, our human resources team, and our staff.

Global Board Representative / Champions:

Dervilla Mitchell, Group Board Director, is the firm's global champion responsible for ethical business practices. She is supported by regional champions and works with them and others to create and approve policies and procedures and to continue to promote communications and education in this area. Alain Marcetteau, UKMEA Regional Board Director and COO, is the UKMEA regional champion responsible for ethical business practices.

Training and Development

All staff are required to complete an Ethical Standards e-learning module which addresses the requirements of the Bribery Act 2010. This underlines the importance attached to high standards in all our business activities.

Outcomes and Progress

We confirm that in the last three years we have not been the subject of a formal investigation by the Equality and Human Rights Commission or an equivalent body, on the grounds of unlawful discrimination.

The published UKMEA region's results from the 2013 global Arup staff survey attracted the highest ever response, and showed that 88% of respondents agree that "I feel proud to work for Arup" and 84% of respondents agree that "I would recommend Arup as a place to work."

Arup has not been involved in any legal cases, rulings, or other events related to bribery or corruption. There are zero offences for corruption or bribery in the firm.

Dervilla Mitchell
Global Ethics Champion

Alain Marcetteau
UKMEA Regional Ethics Champion

Our company financial accounts are subjected to external audit every year. These audits are to confirm that the financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

100% of new employees received the Key Speech, setting out our guiding values and principles, including our commitment to honourable dealings which we expect our people to follow.

It is compulsory for all staff to complete the e-learning ethics training course.

The published results of the 2013 global Arup staff survey attracted the highest ever response and showed that 84% of respondents agree that "Arup is ethical in its business dealings," with 15% neutral. The survey results have informed board level, regional, and group action plans to improve our performance further.

Attempted bribery of Arup staff leads to 15 month jail sentence

In the March 2015 issue of the Bulletin (an internal publication for Arup staff), we looked at examples of difficult ethical behaviour, including the case in East Asia in which a member of staff on site was asked by a site foreman to accept non-compliant materials for construction.

It was recently reported in the South China Morning Post, that the foreman in question has now been jailed for 15 months for offering a bribe to Shum Po-kit in the form of a Macau casino chip worth HK$50,000. "Our member of staff rejected the offer straight away and the incident was reported to the law enforcement agency," says KO Yeung, East Asia Ethics Champion.

The Post reports that Shum, who worked for Arup at the time, refused this same bribe on two occasions.

KO stresses that regular training on our construction sites and in our offices helps us all to remain vigilant in the face of this sort of behaviour. "This incident, and the severity of the punishment, demonstrates the importance of communicating clear ethical policies and offering regular training to our staff, especially those responsible for the firm's supervising duties."

F

United Nations Global Compact:
Communication on Progress 2015

F: Community Engagement, Arup International Development and Partnerships

Partnerships, Community Engagement and Arup International Development

ARUP

Community Engagement, Arup International Development and Partnerships

Our open approach encourages collaboration between our staff, clients and partners, as well as community stakeholders.

Commitment

Our founder, Ove Arup, established the firm to be 'an organisation which is human and friendly' and one that carries with it 'a wish to do socially useful work and to join hands with others fighting for the same values'. This commitment is spelt out in the Key Speech written and delivered by our founder, Sir Ove Arup in 1970. It defines who we are, and sets out our core values and guiding principles, providing a high-level framework that guides appropriate behaviour within the firm. All employees receive a copy of the key speech as part of their induction.

One of the six core principles that the speech identifies is "social usefulness". Arup achieves this tthrough our core business by only taking on projects which we believe contribute to our overall mission "to shape a better world."

In addition, there are two aspects of our operations which focus specifically on achieving positive social outcomes, without there being any direct commercial value.

Arup International Development

Arup International Development (ArupID) operates as a not-for-profit business, working exclusively with organisations committed to improving social well-being and reducing vulnerability in developing countries. Our aim is to harness Arup's skills and networks providing accessible and affordable strategic advice and technical expertise in contexts where the key drivers of change facing society – climate change, urbanisation, poverty – are felt most acutely.

Our key areas of focus are:

- Sustainable infrastructure that enables access to water, energy, shelter, education and healthcare.
- Resilient cities and communities that are able to withstand, adapt to and transform when faced with sudden shocks or chronic stresses.
- Recovery and reconstruction in post-disaster contexts that empowers local communities and ensures donor funding 'builds back better'.

Community Engagement

Arup also has a long history of community engagement, encompassing both charitable donations and voluntary (or pro-bono) engagement. The focus of our community engagement activities are strongly related to the sustainability agenda, with themes such as water (environmental resources) and shelter (social wellbeing).

Arup Group commits to donate money and staff time for charitable purposes through its Community Engagement Programme. In recent years this has typically equated to 3% of our profit.

Arup considers charitable causes that relate closely to Arup's business and our mission to "shape a better world" and either:

- Serve the community in the areas where Arup offices are located.
- Alleviate poverty through supporting the economic, environmental and social development of developing countries.
- Save lives, alleviate suffering and maintain and protect human dignity during and in the aftermath of emergencies.
- Qualify for special consideration.

Arup International Development

Our Business

Established in 2008, Arup International Development (Arup ID) collaborates with development and humanitarian organisations, to help strengthen the impact of their work.

From the seed of an idea to final delivery, we help them make best use of their resources in order to combat poverty and vulnerability, and increase wellbeing and resilience in the developing world.

As a specialist, not-for-profit business within Arup – a globally recognised leader in the built environment – we bring professional expertise to help solve complex problems and bring improved clarity and rigour to the field.

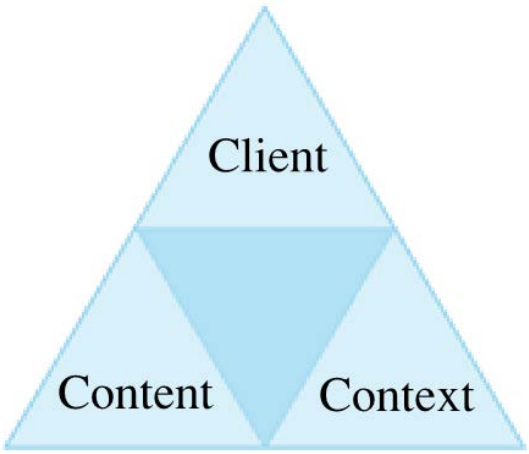
From high-level strategic planning to physical interventions and programme management, we make sure our partners can best meet their strategic objectives and achieve their outcomes. We provide technical expertise across a diverse range of areas – from masterplanning to sustainable buildings and infrastructure. Through desk-based and fieldwork research we also review projects, programmes and organisations in order to strengthen them for future success.

Finally, we believe in sharing knowledge, for the benefit of all – it's at the heart of what we do. We proactively disseminate new learning and knowledge gained through our project work with the wider development sector.

Our External Relationships

Arup ID works across a range of sectors, often in challenging geographies, to help combat poverty and vulnerability to increase wellbeing and resilience in the developing world.

Before deciding to work on a project we make sure that we understand the project's three Cs – Content, Client, and Context.



First, we determine if we are familiar with the project's context, the area within which the project is based. Second, we determine if Arup has the appropriate skills and expertise to address the project's content. And finally, we decide if the client is someone that we want to work with and who has a commitment to improving social well-being and reducing vulnerability in developing countries. To date we have partnered with the following organisations.

NGOs

- CARE
- Disaster Emergency Committee (DEC)
- Habitat for Humanity (HfH)
- International Water and Sanitation Centre (IRC)
- MercyCorps
- MuslimAid
- OXFAM
- WaterAid

Red Cross Organisations

- American Red Cross
- Danish Red Cross
- International Committee of the Red Cross (ICRC)
- nternational Federation of the Red Cross and Red Crescent Societies (IFRC)

UN Agencies

- International Labour Office (ILO)
- International Office of Migration (IOM)
- UN-HABITAT
- UN Office for Project Services (UNOPS)

Development Bank Organisations

- Global Facility for Disaster Risk Reduction (GFDRR)
- Part of the World Bank
- Asian Development Bank (ADB)

Charitable Foundations

- Aga Khan Development Network
- Qatar Foundation
- Rockefeller Foundation

Social Enterprises

- Domogeo
- ASS Design Group
- Just Energy
- olcim

Government Organisations

- UK Department for International Development (DFID)
- Social Impact Investors and Agribusiness Project Developers (AgDevCo)
- UK Foreign & Commonwealth Office
- ICLEI – Local Governments for Sustainability
- Turks and Caicos Islands Government
- Abu Dhabi Urban Planning Council Development Research Organisations
- International Institute for Environment and Development (IIED)

Our People

The founder and director of Arup International Development is Jo da Silva. After studying engineering at Cambridge University, Jo began her career working in India before joining Arup where she qualified as a chartered structural and civil engineer. Jo has lived and worked in Asia, Africa and Europe, and been responsible for planning, design and delivery of a wide range of buildings, infrastructure, and urban regeneration projects. She has also provided strategic advice and expertise in post-disaster contexts working with non-governmental and UN agencies.

In recent years, Jo's work has focused on understanding what contributes to community and city resilience; and the role of infrastructure – schools, healthcare, housing, water and energy - in reducing vulnerability and poverty. She has published numerous academic papers, and was awarded an Honorary Doctorate of Technology at Coventry University. Jo is a Fellow of the Institution of Civil Engineers and the Royal Academy of Engineering, and in 2011 was made an Officer of the British Empire (OBE) for services to engineering and to humanitarian relief.

Outcomes and Progress

Projects

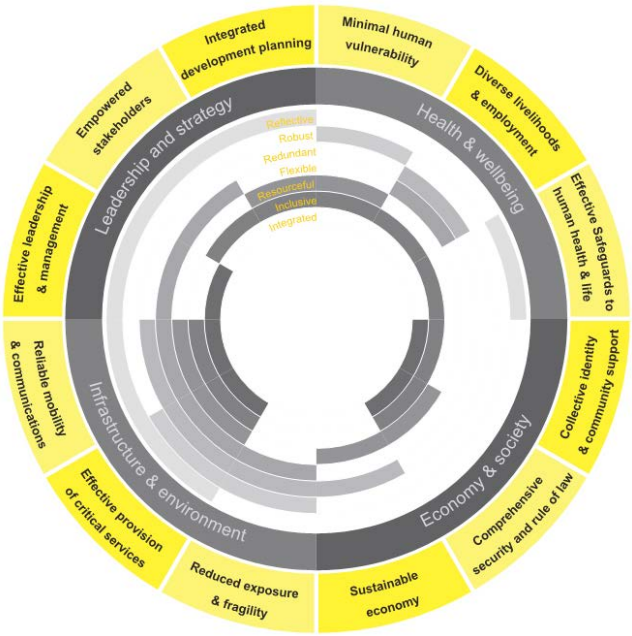
To date ArupID have completed more than 70 projects in 40 countries. The following are example projects worked on within the last year.

City Resilience Framework

Supported by The Rockefeller Foundation, Arup set out to articulate urban resilience in a measurable evidence-based and accessible way that can inform urban planning, practice, and investment patterns which better enable urban communities (e.g. poor and vulnerable, businesses, coastal) to survive and thrive multiple shocks and stresses.

Arup reviewed over 150 documents, generated case studies of 16 cities, and carried out field work in 6 cities where we interviewed business leaders, government and civil society. This culminated in the City Resilience Framework.

The City Resilience Framework provides a lens through which the complexity of cities and the numerous factors that contribute to a city's resilience can be understood. It comprises 12 key indicators that describe the fundamental attributes of a resilient city. The indicators can be used to assess to what extent a city is resilient, to identify critical areas of weakness, and to understand how a particular project enhances or undermines the city's resilience.



Wastewater Treatment for Vavuniya Hospital, Sri Lanka

Our UN partner is supporting a project to improve sewage and wastewater disposal for Vavuniya Hospital in Sri Lanka. We completed a detailed design for the wastewater system. To address the challenging circumstances onsite, Arup used an innovative solution of simplified sewerage, large septic tanks and a solids-free sewer to convey the effluent for treatment in waste stabilisation ponds 2km from the hospital site.

Our work is helping our partner to improve the level of cleanliness of the environment and reduce incidence of pollution-related diseases for the approximately 30,000 people living in Vavuniya.

Vavuniya Hospital, Sri Lanka

Global Programme for Safer Schools

The Global Programme for Safer Schools (GPSS) is a global knowledge, advisory and technical assistance program which will be linked to education policy lending or school infrastructure investment programs that are financed by national governments and international donors. GPSS aims to improve the safety of schools by helping them make investments to improve their resilience to natural hazards. Arup is providing the technical support to GPSS.

There are three components of this work:

- Providing technical support to GPSS country projects;
- Developing a guidance note for safer school technical assistance projects; and
- Support the development of a global handbook on community based construction

Global Programme for Safer Schools

Affordable Housing

Our partner, Domogeo, provides affordable, high quality, and eco-friendly modular structures in developing economies to help address the issue of insufficient housing. For one of their designs in India they aimed to use engineered bamboo as the primary material for the structure. Arup supported Domogeo by conducting seismic and structural engineering tests of the structure. Additionally, Arup also provided advice on sustainability, construction techniques, and design, material, and manufacturing optimisation. Our input helped Domogeo use a new and innovative materials to create sustainable structures for the urban poor.

Affordable housing in India developed in partnership with Domogeo

ILO Structural Integrity and Fire and Electrical Safety Assessments

Rapid expansion of the Ready Made Garment industry coupled with weak institutions, lack of local capacity and rapid urbanisation has left Dhaka with a factory building stock that is structurally deficient and potentially deadly. In April 2013 the collapse of Rana Plaza set in motion a need to understand the safety of textile factories in the country.

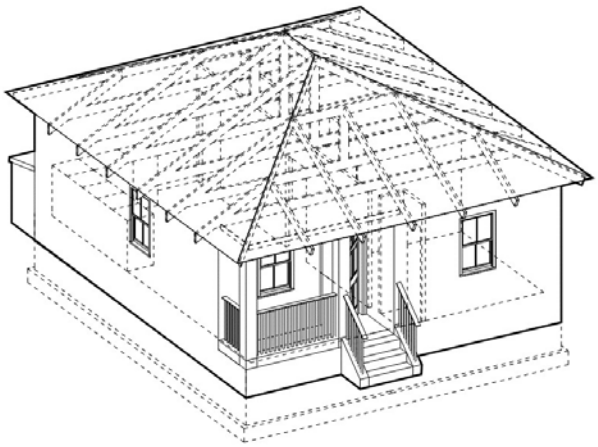
Arup developed and refined an assessment and reporting methodology for rapid structural inspections that was subsequently adopted as the benchmark for the process to be rolled out across Bangaldesh's 5000 garment factories. Arup completed approximately 750 assessments and were appointed by the International Labour Organisation to review and verify that local consultants are correctly applying our assessment and reporting methodology to a total of 1200 factories. Inherent in this role has been capacity building of local consultants in Structural, Fire and Electrical disciplines.

Garment factory in Bangladesh

TCI Building Guidelines

Arup ID was recently commissioned to update and improve the Turks & Caicos Islands (TCI) building guidelines. It had not been updated for a number of years and the details did not reflect current international or local best practices. Furthermore, it was rarely referred to even by those who have copies.

Therefore, Arup developed a simple practical guidance, e.g. on construction details, to illustrate how to apply the requirement of the new Turks & Caicos Islands Building Code to small buildings.



Turks & Caicos Islands Building Code

Supporting UN Design Reviews

As part of our Long Term Agreement with a UN agency we help them mitigate design and planning risk by completing design reviews of their infrastructure works. This is also done to ensure that our partner complies with the Policy for Sustainable Infrastructure and meets minimum requirements for safety and functionality to reduce potential legal liability and reputational risk.

To date Arup has completed 6 design reviews. The reviews covered:

- A garment factory in Haiti
- A health facility in Myanmar
- A bridge in Pakistan
- Two sets of bridges in South Sudan
- A government building in Grenada

Arup supporting UN Design Reviews

Awards won this year

Coventry University awarded an Honourary Degree of Doctor of Technology to Jo da Silva, the director of the International Development group.

This year Arup International Development won the International Green Apple Award for the Built Environment and Architectural Heritage. The award recognises our contribution to building quality sustainable school infrastructure for the Sabre Charitable Trust in rural Ghana.

Conferences and events attended:

This past year members of the International Development team attended a wide variety of conferences and events:

- The Third UN World Conference on Disaster Risk Reduction in Sendai, Japan;
- Global Alliance for Disaster Risk Reduction & Resilience in the Education Sector Conference on in Bangkok, Thailand;
- Community-Based Safe School Construction Technical Consultation Event in Bangkok, Thailand;
- World Economic Forum's 5th International Disaster and Risk Conference in Davos, Switzerland;
- Understanding Risk Forum at University College London;
- CIRIA Event on Infrastructure Risk and Resilience to Natural Hazards>
- Sustainable Cities: Looking to the Future in Cambridge, UK;
- 100 Resilient Cities City Resilience Officer Summit in New Orleans
- 100 Resilient Cities Medellin Collaboration – Barcelona
- UK Shelter Forum

Community-Based Safe School Construction Technical Consultation Event in Bangkok, Thailand

Community Engagement

Our Business

Arup aims to deliver a programme of Community Engagement (CE) activities that is inclusive, integrated, inspiring and impactful. It is made up of three strands:

- Local Engagement: providing support to organisations and communities that are local to our offices across the world and for whom our skills are particularly relevant.
- Development: providing technical assistance to community based, and international, organisations; delivering projects that improve people's lives in developing and newly industrialised countries.
- Disaster Response and Recovery: enabling our people to respond to humanitarian needs by supporting fundraising initiatives and responding to requests for technical support.

Our Community Engagement Programme is managed by the global Community Engagement Committee (CEC). This committee is chaired by Sarah Bowden and includes the managers of each of the regional Community Engagement Committees. Current members of the global CEC are Jon Hurt (Americas), Samantha Webb (Australasia), Ellen Lee (East Asia), Henning Czujack (Europe), Alison Ball (UKMEA), Martin Ansley-Young and Sarah Bowden (Global).

Sarah who meets with other regional leaders to promote best practice, and to set the strategic direction for all our charitable giving, strategic partnerships, fundraising and directing funds, and volunteering time to projects. Sarah says "Arup donates to charitable causes ... but we believe we can make an even bigger impact by donating our time and skills."

The CE programme also benefits from the knowledge, skills and expertise that has been built up in Arup's International Development team. The two teams work together to ensure that CE projects are well conceived and take account of the developmental/humanitarian context (both in terms of design and communication).

Our internal Community Engagement Skills Network Forum is used to communicate opportunities and activities and to share knowledge, news, and enthusiasm.

Our External Relationships

Strategic Partnerships

We have established a small number of strategic partnerships with charities that enable us to provide an ongoing programme of support through a combination of cash and time donations. We want to maximise the impact of these partnerships by aligning our skills, knowledge

and interests with each charity's mission, and with their immediate and longer-term needs. As these partnerships develop we believe the enthusiasm of our staff will make a real difference, will improve the personal development of our staff, and help our business to become more closely engaged with the communities in which we work.

Strategic partnerships have been set up with charities such as WaterAid to provide technical support for a country program in Nicaragua. And across the firm, sponsored bake sales, walks, cycle rides, and even moustache-growing have all featured in Arup offices as fundraising efforts have connected our people with communities in need around the world.

These partnerships are often formalised within a Memorandum of Understanding, and key contacts named by both parties, so expectations can be managed and the relationship is mutually beneficial. Our strategic partnerships include:

- Engineers without Borders (Australia, UK & USA)
- RedR - UK
- Bridges to Prosperity
- Habitat for Humanity (UK and Australia)
- Engineering Development Trust
- Prince's Trust
- The Smith Family
- Depaul International
- The Property Industry Foundation
- WaterAid (America and Australia)

Our People

Voluntary Assignments

We work closely with our charitable partners and occasionally our staff take voluntary leaves of absence to help with a project or to provide technical expertise following a disaster.

We often find that Arup staff 'shine' in their positions while on voluntary leave and clients tend to want to hang on to them as long as they can!

Voluntary leave is also useful in the training of our engineers. Experience 'on site' or out of the Arup offices is an important part of a young engineer's development.

The following are examples of our staff which have volunteered for community engagement projects.

Sustainable Housing in El Salvador with Fundacion REDES

Over the past year an Arup staff member, Sebastian Kaminski, volunteered with Fundación REDES, an El Salvadoran NGO, on the development of a low-cost, permanent, sustainable and appropriate housing solution for El Salvador, which uses local materials and techniques. He constructed an updated prototype house for a family in El Salvador, with the aim to test out the construction methodology, obtain feedback on the design and attain a more accurate cost breakdown for future buildings. He also conducted a full-scale shake-table test at the University Mariano Galvez in Guatemala City, 20 tests behaviour under severe earthquake events.

Sustainable Housing in El Salvador with Fundacion REDES

Map Action – Ebola Response

A member of Arup staff, Andy Kervell, volunteered with MapAction to support of Sierra Leone's response to the Ebola outbreak. MapAction deployed a two man team to Freetown to support the establishment of the National Ebola Response Centre (NERC). The NERC had a key role in the management of Ebola Care Facility (ECF) data, and they provided situation updates via a live map. MapAction generated a number of mapping products, and established the methods and procedures to coordinate ECF data management such as bed numbers and operational status.

Map Action - Ebola Response

Bulamuli District WASH Programme, Uganda

Arup provided water engineering consultancy services for a series of water supply and sanitation projects in eastern Uganda. The overarching aim of the project was to improve the health of the village community by implementing the most appropriate and sustainable water supply and sanitation solutions. Arup's role included delivery of a needs assessment, a hygiene education and sanitation promotion programme, support for water supply and sanitation improvements, and subsequent site visits and progress reviews.

Since the project's inception in 2008 numerous Arup staff members have taken short term leaves of absence to work with the local communities to improve their access to WASH services.

Bulamuli District WASH Programme, Uganda

Outcomes and Progress

Our Development Programme

Our Development Programme was initiated in 2006 to mark our 60th Anniversary. This global initiative exists to reward, encourage and leverage staff abilities and interest in undertaking community centred and educational activities. This typically involves providing technical assistance to humanitarian and development organisations; enhancing their capacity to reduce suffering and improve people's lives.

Over the past nine years, over 80 projects have been supported which have contributed to improving the lives of tens of thousands of people. These include design and site supervision of a number of schools, health centres and orphanages; low-cost and earthquake safe housing development; survey and delivery of water infrastructure; delivery of communications strategies and websites; and other technical support. In addition, a number of research and learning projects have been funded where we have captured technical knowledge in a format that can be widely shared and drawn upon to improve the quality of humanitarian or development projects.

To date our achievements include:

- Providing more than 3,000 families with safe shelter;
- Providing more than 8,000 families with improved access to clean water or sanitation;
- Providing more than 88,000 people with improved access to healthcare;
- Providing more than 5,400 children and youths with improved access to education;
- Providing 14 communities with support to develop vital infrastructure;
- Providing more than 900 people with new knowledge, skills or technology; and
- Providing more than 20 charitable organisations with support to build internal skills and capacity.

Example Projects

Panama Ciricito Bridge – Bridges to Prosperity

In September 2014 a team of nine Arup volunteers travelled to Panama to build a bridge that connects the villages of Arriba, Teria Nacimiento and El Caracoral. They worked on the project with Bridges to Prosperity (B2P), a not-for-profit organisation that aims to overcome rural isolation through the construction of footbridges over impassable areas enabling people to access health centres, schools and towns.

The suspension footbridge for this site is eight meters in height and spans a distance of 46 meters across the river Ciricito. Heavy rainfall causes the river to flood during four months of the year and couldn't be crossed safely so the bridge provides vital access to local schools, markets and medical facilities.

Panama Ciricito Bridge – Bridges to Prosperity

Ntunga Maternity Centre

The Ntunga Maternity Centre, is a cost effective maternity hospital envisaged as a prototype to be replicated throughout Rwanda. Passive design principles and appropriate technologies have been developed to fit around local requirements. Rwandan health professionals, district officials and the local community were all included in the design process.

Women who previously had to travel for hours by foot or bicycle will now be able to access medical professionals in a clean and safe maternity unit. This new design and the variety of services offered supports a large rural community.

Ntunga Maternity Centre, Rwanda

Awards

Designed in London Award

The Panama Ciricito Bridge received the ICE "Designed in London Award" in May 2015.

The team receiving their ICE award for Panama Ciricito Bridge

Young Engineer Award at IABSE Symposium, Spain.

Kayin Dawoodi, Phil Borowiec, Lee Franck and Avery Louise Bang - outstanding paper and presentation about Bridge Tool Design and Construction of rural Suspension Footbridges.

IStructE (Institution of Structural Engineers) Young Structural Engineer Professional Award

Kayin Dawoodi – winner of the IStructE Young Structural Engineering Professional of the Year 2014.

IStructE Awards 2014

Arup's work on a suspension footbridge bridge in Rwanda, with not-for-profit organisation Bridges to Prosperity (B2P), was awarded the top Sustainability prize and was commended in the Pedestrian Bridge category.

The team receiving their IStructE award for the Bridges to Prosperity suspension footbridge in Rwanda

Outstanding International Development Project Award

The Ntunga Maternity Centre has recently been awarded the "Outstanding International Development Project" in the 2015 British Expertise International Awards.

Australian Centre for Corporate Social Responsibility (ACCSR)

Arup was listed amongst the Top 10 organisations with the strongest CSR management capabilities by the ACCSR – a list that also includes ABC, National Australia Bank, Pricewaterhousecoopers (PwC) Australia and Rio Tinto.

Cathay Pacific China Business Awards 2014 – Corporate Social Responsibility Award

Arup was named winner of the Social Responsibility Award at the Cathay Pacific China Business Awards 2014, a scheme designed to celebrate UK business dynamism and success in Hong Kong and mainland China. The award recognises our approach to social sustainability and our continuous efforts to benefit China in a socially responsible manner, through initiatives such as Arup Cause, the Arup Wu Zhi Qiao Bridge and the Sichuan Motianling Nature Reserve, as well as supporting numerous charitable organisations in Hong Kong and mainland China.

Hong Kong Humanity Award 2014

Albert Ho (Hong Kong) received the 2014 Hong Kong Humanity Award for his dedication in his work as chairman of Sowers Actions – a major volunteer organisation that has donated and constructed hundreds of school buildings in impoverished parts of China, sponsored deprived children, trained teachers in counselling and providing services for orphans and handicapped children. He has made numerous self-funded trips and personally participated in the construction of more than 40 schools, benefiting some 8,000 students. Albert has also applied his engineering expertise in earthquake disaster reconstruction and in Bridge to China's work, including the Arup Wuzhiqiao Bridge in Mixia village, Yunnan Province.

Penarth Pier Pavilion Refurbishment, Penarth, Vale of Glamorgan, Wales

This projecy won the Royal Institution of Chartered Surveyors (RICS) Wales Awards - Community Benefit - category.

River Hull Scale Lane Footbridge Competition, Hull, Kingston upon Hull, United Kingdom

This projecy won the Civic Trust and Special Award for Community Impact and Engagement.

Conferences and events attended

This last year five Arup engineers under the age of 30 attended the One Young World Summit in Dublin, Ireland. The One Young World Summit is the preeminent global forum for young leaders aged 18-30 and gathers the brightest young leaders from around the world, empowering them to make lasting connections and develop solutions to come of the world's most pressing issues.

1

United National Global Compact:
Communications on Progress 2015

Attachment:

- Annual Report

ARUP

Annual Report 2014

Ove Arup & Partners International Limited

ARUP

Front cover: Michael Markieta, Transport Planner, Arup used Geographic Information Systems (GIS) to collect data for more than 58,000 global flight paths, available from open-source project www.openflights.org.

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Strategic report

The directors present their strategic report for the year ended 31 March 2014 which was approved by the board of directors on 17 September 2014.

Principal activities

Ove Arup & Partners International Limited ("the Company") and its subsidiaries ("the Group") practice in the field of consulting engineering services, in architecture and in other related professional skills.

The Company operates branches in the United Kingdom, Indonesia, Ireland, Moscow, Poland, Qatar and Romania.

Review of the business

The Group turnover for the year increased by 9.8% (2013: 3%) and the Group made a total profit before tax, dividends and staff profit share of £58m (2013: £32m).

The performance and development of the Group is in line with the expectations of the directors.

The principal risks and uncertainties facing the business include foreign exchange risk and risk resulting from the diverse geographical spread of the business and its ability to continue to secure new projects and deliver the performance of existing projects in line with management's objectives. To monitor and manage these, the directors use the following key performance indicators (KPIs):

- Turnover and profit per person is a financial KPI used to monitor the continued contribution to the Group. In calculating this measure, profit is stated before tax, dividends and staff profit share. For the year ended 31 March 2014, Group turnover per person was £122k (2013: £119k) and profit per person was £14k (2013: £8k).
- Staff turnover is a key non-financial measure of business performance. For the year ended 31 March 2014, staff turnover for the Group was 9% (2013: 10%).

During the financial year the Group disposed of subsidiary companies Arup d.o.o., Arup Gulf Limited, Arup International Limited and Arup Limited. The Group has recorded an exceptional item in its profit and loss account of £8,738k as a gain on the sale of these subsidiaries.

On behalf of the Board

D A Whittleton
Director

17 September 2014
Registered Office: 13 Fitzroy Street, London W1T 4BQ

Directors' report

The directors present their directors' report together with the audited consolidated financial statements of Ove Arup & Partners International Limited for the year ended 31 March 2014 which were approved by the board of directors on 17 September 2014.

The capital of the ultimate parent company is divided into equity shares, which are held in trust for the benefit of the employees (past and present) of the Arup group of companies, and voting shares that are held by Ove Arup Partnership Charitable Trust.

Future developments

The Group will continue to operate in similar markets. The Company has a solid, diversified portfolio to navigate the market challenges and a breadth of quality employees that will help to exploit opportunities.

Dividends

The directors do not recommend a dividend payment (2013: nil).

Directors

The directors of the Company during the year and up to the date of signing this report, were as follows:

A J Belfield*
R F Care (Resigned 31/03/2014)
T G A Carfrae* (Resigned 31/03/2014)
A K C Chan (Resigned 31/03/2014)
P G Dilley (Resigned 01/06/2014)
T M Hill (Resigned 11/06/2013)
G S Hodkinson* (Resigned 31/03/2014)
A R M Marcetteau
J G Turzynski
D A Whittleton*

All directors marked with an * were also directors of Arup Group Limited at 31 March 2014.

Directors' indemnities

As permitted by the Company's Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' Liability Insurance in respect of itself and its directors.

Independent auditors

The Company's auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office for another financial year.

Financial risk management

The Group's financial assets/liabilities comprise cash at bank, overdraft, trade and other payables and receivables and bank loans, whose main purpose is to maintain adequate finance for the Group's operations.

It is the Group's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these with regard to the projected cash flow requirements of the Group and an acceptable level of risk exposure.

The Group has subsidiaries where transactions, assets and liabilities are denominated in non-pound sterling currencies and is therefore exposed to currency fluctuations arising from these sources. Note 1(g) in the notes to the financial statements provides further information on accounting for exchange differences.

The Group is exposed to a number of financial risks and actively mitigates the risk of financial loss. The key aspects are:

- Liquidity risk: cash flow forecasts are prepared to ensure that sufficient funds are available to meet the Group's liabilities as and when they fall due.
- Foreign exchange risk: where possible the Group matches its currency earnings with currency costs. Where this is not possible appropriate derivative contracts may be used. There is no speculative use of financial instruments.
- Interest rate risk: the Group does not currently hedge interest rate risk, however the need to do so is regularly reviewed.
- Credit risk: the main exposure to credit risk is on amounts due from customers. Controls and procedures are in place to mitigate this risk. Cash investments are held with banks with a minimum credit rating of A-1/P1.

Directors' report (continued)

Research and development

The Group engages in research and development on an ad-hoc basis as required to complete projects during the normal course of business. Costs incurred in research and development are immediately expensed to the profit and loss account.

Employees

The maintenance of a highly skilled workforce is key to the future of the Group. Health and Safety matters are regularly reviewed by the directors and it is their policy to ensure that:

- full and fair consideration is given to all applications for employment made by disabled persons, having regard to their capabilities;
- when existing employees become disabled (whether from illness or accident) every reasonable effort is made to continue to provide suitable employment either in the same job, or by training, in an alternative job; and
- disabled persons are given equal consideration for training, career development and opportunities for promotion within the Group.

The Group is active in the field of employee communications and employees are encouraged to express their views on major policy issues. 'Working at Arup' surveys are conducted to obtain feedback from employees. This survey is confidential and is used alongside consultation with employees where appropriate.

Each year, employees are provided with a Chairman's Report and financial information. Employees are informed of significant business issues via the use of email, discussions with senior management, the Group's intranet and in-house publications.

Employee involvement in the Group's performance is encouraged and maintained via participation in a staff profit sharing initiative.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of audit information

The directors confirm that, as at the date this report was approved, so far as each director is aware, there is no relevant audit information of which the Company's and Group's auditors are unaware, and that he or she has taken all the steps he or she ought to have taken as a director in order to

Directors' report (continued)

make him or herself aware of any relevant audit information, and to establish that the Company's and Group's auditors are aware of that information.

On behalf of the Board

D A Whittleton
Director

17 September 2014
Registered Office: 13 Fitzroy Street, London W1T 4BQ

Independent auditors' report to the members of Ove Arup & Partners International Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2014 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and parent company financial statements (the "financial statements"), which are prepared by Ove Arup & Partners International Limited, comprise:

- the consolidated balance sheet and parent Company balance sheet as at 31 March 2014;
- the consolidated profit and loss account and consolidated statement of total recognised gains and losses for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Independent auditors' report to the members of Ove Arup & Partners International Limited (continued)

- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

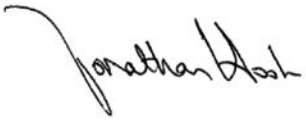
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Jonathan Hook (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London
17 September 2014

Consolidated profit and loss account

	Note	2014 £'000	2013 £'000
Turnover	1c & 2	**497,133**	452,771
Staff costs	3		
Wages and salaries		**(198,076)**	(183,155)
Social security costs		**(20,688)**	(19,275)
Pension contributions		**(15,750)**	(15,309)
Other staff costs		**(9,530)**	(9,882)
		(244,044)	(227,621)
Depreciation	1d & 10	**(7,193)**	(8,329)
Other operating charges			
Charges from sub-consultants and other direct project costs		**(140,143)**	(121,384)
Accommodation		**(23,506)**	(32,384)
Communications and other overheads		**(51,820)**	(43,352)
		(215,469)	(197,120)
Operating profit	6	**30,427**	19,701
Exceptional gain on sale of subsidiairies	5	**8,738**	-
Other finance income		**4,700**	800
Interest receivable and similar income	7	**96**	184
Interest payable and similar charges	8	**(515)**	(1,082)
Profit on ordinary activities before taxation	2	**43,446**	19,603
Tax on profit on ordinary activities	1e & 9	**(2,071)**	(1,588)
Profit for the financial year	17 & 18	**41,375**	18,015

Consolidated statement of total recognised gains and losses

		2014 £'000	2013 £'000
Profit for the financial year	17 & 18	**41,375**	18,015
Exchange translation gain / (loss)		**2,973**	(994)
Actuarial gain / (loss) recognised in the pension schemes	24	**4,300**	(19,200)
Deferred tax asset movement related to the actuarial (gain) / loss		**(7,044)**	2,547
Total gains recognised since last annual report		**41,604**	368

There is no material difference between the profit on ordinary activities before taxation and the profit for the current and prior financial year stated above, and their historical cost equivalents.

Consolidated balance sheet – Ove Arup & Partners International Limited and its subsidiary undertakings

	Note	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	10	**38,779**	40,882
Current assets			
Debtors	12	**225,950**	270,361
Cash at bank and in hand		**26,857**	23,953
		252,807	294,314
Creditors: amounts falling due within one year	13	**(147,687)**	(220,903)
Net current assets		**105,120**	73,411
Total assets less current liabilities		**143,899**	114,293
Provisions for liabilities	14	**(902)**	(1,700)
Net assets excluding pensions		**142,997**	112,593
Pension liability	24	**(92,930)**	(104,130)
Net assets after pension liabilities		**50,067**	8,463
Capital and reserves			
Called up share capital	16	**45,000**	45,000
Profit and loss account	17	**5,067**	(36,537)
Total shareholders' funds	18	**50,067**	8,463

The financial statements on pages 7 to 23 were approved and authorised by the board of directors on 17 September 2014 and signed on its behalf by:

D A Whittleton
Director

Parent company balance sheet – Ove Arup & Partners International Limited excluding its subsidiary undertakings

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	10	**24,417**	26,142
Investment in subsidiary undertakings	11	**15,386**	25,352
		39,803	51,494
Current assets			
Debtors	12	**225,898**	226,275
Cash at bank and in hand		**26,857**	20,247
		252,755	246,522
Creditors: amounts falling due within one year	13	**(148,708)**	(178,019)
Net current assets		**104,047**	68,503
Total assets less current liabilities		**143,850**	119,997
Provisions for liabilities	14	**(902)**	(1,700)
Net assets excluding pension liabilities		**142,948**	118,297
Pension liability	24	**(92,930)**	(104,130)
Net assets after pension liabilities		**50,018**	14,167
Capital and reserves			
Called up share capital	16	**45,000**	45,000
Profit and loss account	17	**5,018**	(30,833)
Total shareholders' funds		**50,018**	14,167

The financial statements on pages 7 to 23 were approved and authorised by the board of directors on 17 September 2014 and signed on its behalf by:

D A Whittleton
Director

1 Accounting policies

a) Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The Company is a wholly-owned subsidiary of Arup Group Limited and is included in its consolidated financial statements which are publicly available. Consequently, the Company has taken advantage of the exemption from publishing a cash flow statement under terms of FRS 1 (Revised 1996).

Having considered post year end trading and forecasts and the cash resources available to the Group, the directors are satisfied that it is appropriate to continue to use the going concern assumption.

The principal accounting policies, which have been applied consistently and uniformly throughout the Group during the year, are set out below unless otherwise stated.

b) Basis of consolidation

The consolidated financial statements include the Company and all its subsidiary undertakings. Intragroup trading is eliminated within charges from sub-consultants and other direct project costs and communications and other overheads.

c) Turnover

Turnover represents the value of work performed on contracts in the year.

For contracts on which turnover exceeds fees rendered, the excess is included as amounts recoverable on contracts within debtors. For contracts on which fees rendered exceed turnover, the excess is included as deferred income within creditors.

d) Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost less accumulated depreciation and impairment. Cost comprises purchase price after discounts and rebates plus all directly attributable costs of bringing the asset to working condition for its intended use. Freehold land and property are depreciated over 50 years, expenditure on leasehold properties is depreciated over the period of the lease and all other tangible fixed assets are depreciated over a 4 to 10 year period.

Fixed assets and investments are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

e) Taxation

Current and deferred income tax are recognised in the profit and loss account for the period except where the taxation arises as a result of a transaction or event that is recognised in the statement of total recognised gains and losses or directly in equity. Income tax arising on transactions or events recognised in the statement of total recognised gains and losses or directly in equity is charged or credited to the statement of total recognised gains and losses or directly to equity respectively.

f) Deferred taxation

Full provision is made for timing differences at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements, which are not permanent. Deferred tax is measured on a non-discounted basis.

No deferred tax has been provided for on any gain arising from the sales of any assets where the taxable gain has been, or will be, rolled over to replacement assets.

Deferred tax assets are only recognised where they arise from timing differences where the recoverability is foreseen with reasonable certainty.

g) Exchange rates

Monetary assets and liabilities in non-pound sterling currency have been translated into sterling at year end exchange rates. The trading results of non-pound sterling operations have been translated using an average rate for the year.

Exchange differences on the translation of the results of non-pound sterling operations together with those on assets and liabilities in foreign currency are taken directly to reserves. All other exchange differences are included in the profit and loss account.

h) Long term contracts

The value of long term contracts is based on recoverable costs plus attributable profit. Cost is defined as engineering and technical staff costs and related overheads plus project expenses.

As projects reach stages where it is considered that their outcome can be reasonably foreseen, proportions of the expected total profit are brought into the financial statements. Provision is made for all known and anticipated losses.

1 Accounting policies (continued)

For contracts on which turnover exceeds fees rendered, the excess is included as amounts recoverable on contracts (lump sum projects), and as accrued income (time basis projects), within debtors. For contracts on which fees rendered exceeds turnover, the excess is included as deferred income, within creditors.

i) Research and development

All research and development cost is expensed in the year incurred.

j) Pension costs

Contributions to the Group's defined contribution schemes are charged to the profit and loss account when they fall due.

The Group also operated defined benefit schemes during the year as described in note 24. The assets from the schemes are held separately from those of the Group in an independently administered fund. Under FRS 17, the assets of the defined benefit pension schemes are measured at their fair (market) value at the balance sheet date and compared to the liabilities of the schemes, at the same date, measured on an actuarial basis using the projected unit method. The discount rate used is the rate of return at the balance sheet date on a high quality corporate bond of equivalent currency and term to the schemes' liabilities. The extent to which the schemes' assets exceed/fall short of their liabilities is shown as a surplus/deficit in the balance sheet. The surplus/deficit is shown net of deferred taxation.

The increase in the present value of the pension schemes' liabilities arising as a result of employee service in the current period is charged to operating profit. Any increase in the present value of pension schemes' liabilities arising in the current period but as a result of employee service in prior periods, is charged to operating profit on a straight line basis over the period in which the increases in benefit vest.

The amount of expected return on the schemes' assets and the increase during the period in the present value of the scheme liabilities arising from scheme liabilities being one year closer to payment are included as other finance income / costs in the profit and loss account.

Management assessed the expected return on scheme assets based on a review of past returns and professional advice of the level of future returns.

Actuarial gains and losses are reported in the statement of total recognised gains and losses.

k) Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

l) Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairments.

m) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

n) Trade debtors

Trade debtors are recognised at original invoice amount. A provision for impairment of trade debtors is established when there is reason to believe that the Group will not be able to collect all amounts due according to the original terms of the debtor. A provision for exchange differences is also recognised on debts raised in currencies other than the Company's functional currency (pound sterling).

o) Cash

Cash comprises cash in hand, on-demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p) Dilapidation provision

The Group is required to perform dilapidation repairs on leased properties prior to the properties being vacated at the end of their lease term. Provision for such costs is made where a legal obligation is identified and the liability can be reasonably quantified. The provision is discounted to net present value at the balance sheet date using an appropriate discount rate.

q) Company profit and loss account

In accordance with the concession quoted under Section 408 (3) of the Companies Act 2006, the Company profit and loss account has not been separately presented in these financial statements.

2 Segmental report

	2014 £'000	2014 £'000	2014 £'000	2013 £'000	2013 £'000	2013 £'000
Turnover by destination						
United Kingdom			**316,739**			289,306
Middle East & Africa			**74,991**			58,172
Europe			**58,198**			57,229
Asia			**25,040**			21,549
Americas			**12,834**			13,902
Australasia			**9,331**			12,613
			497,133			452,771

Turnover by origin	**Total**	**Internal**	**Total less internal**	Total	Internal	Total less internal
United Kingdom	**485,152**	**20,825**	**464,327**	451,858	22,980	428,878
Middle East & Africa	**34,354**	**6,031**	**28,323**	22,508	3,780	18,728
Asia	**5,216**	**934**	**4,282**	5,163	300	4,863
Europe	**243**	**42**	**201**	410	108	302
	524,965	**27,832**	**497,133**	479,939	27,168	452,771

Profit before taxation by origin						
United Kingdom			**43,632**			14,787
Middle East & Africa			**129**			3,807
Europe			**(39)**			307
Asia			**(276)**			702
Group profit before taxation			**43,446**			19,603

Net assets by origin		**Excluding pensions**			Excluding pensions	
United Kingdom		**137,468**	**44,538**		110,820	6,690
Middle East & Africa		**3,019**	**3,019**		976	976
Asia		**1,675**	**1,675**		508	508
Europe		**835**	**835**		289	289
		142,997	**50,067**		112,593	8,463

The Group only operates materially in the business of consulting engineering.

3 Staff costs

	2014 £'000	2013 £'000
Ordinary staff costs		
Wages and salaries	**183,724**	170,826
Staff profit sharing	**14,352**	12,329
Social security costs	**20,688**	19,275
Pension contributions	**15,750**	15,309
Redundancy costs	**1,029**	1,790
Other staff costs	**8,501**	8,092
Total staff costs	**244,044**	227,621

	Number	Number
Average number of persons employed by the Group		
Engineering and technical staff	**3,375**	3,118
Administrative staff	**682**	651
Company directors	**23**	25
Total average staff numbers	**4,080**	3,794

4 Directors' remuneration

	2014 £'000	2013 £'000
Aggregate remuneration:		
Aggregate emoluments paid	**1,853**	2,524
Aggregate contributions paid to money purchase schemes	**16**	15

Number of directors accruing pension benefits under:	**Number**	Number
Money purchase schemes	**3**	3
Defined benefit schemes	**6**	7

Some directors are included under both money purchase and defined benefit due to the closure of the defined benefit scheme in June 2010.

Highest paid director:	**£'000**	£'000
Emoluments excluding contributions paid to pension schemes	**430**	445
Accrued pension from defined benefit pension scheme as at 31 March	**121**	80

5 Exceptional items

During the financial year the Company disposed of subsidiary companies Arup d.o.o., Arup Gulf Limited, Arup International Limited and Arup Limited. The Group has recorded an exceptional item of £8,738k as a gain on the sale of these subsidiaries.

6 Group operating profit

	2014 £'000	2013 £'000
This is stated after charging/(crediting)		
During the year, the Group obtained the following services from the Company's auditor:		
Audit of parent company and consolidated financial statements	**175**	172
Fees payable for other services:		
- Audit of the Company's subsidiaries, pursuant to legislation	**12**	12
Profit on disposal of fixed assets	**-**	(6)
(Profit) / loss on foreign exchange from trading activities	**(1,880)**	76
Research and development costs	**16,260**	15,336
Operating leases - land & buildings	**19,178**	18,695
Depreciation	**7,193**	8,329

7 Interest receivable and similar income

	2014 £'000	2013 £'000
Bank interest	**50**	63
Other interest	**11**	6
Group undertaking	**35**	115
	96	184

8 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank interest	**165**	31
Other interest	**41**	20
Interest payable on Group undertakings	**309**	1,031
	515	1,082

9 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
a) Analysis of tax charge		
The charge for taxation comprises:		
UK corporation tax for the year at 23% (2013: 24%)	**327**	138
Less: double tax relief	**(327)**	(138)
	-	-
Over provision in respect of prior years	**-**	-
	-	-
Non-UK tax for the current year	**1,785**	283
Adjustments in respect of prior years	**194**	426
Current tax charge	**1,979**	709
UK deferred taxation for the current year	**92**	1,048
Under/(over) provision in respect of prior years	**-**	(169)
Total tax charge	**2,071**	1,588

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 23% (2013: 24%). The differences are explained below:

Profit on ordinary activities before taxation	**43,446**	19,603
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (2013: 24%)	**9,993**	4,705
Effects of:		
Group relief	**(1,749)**	(2,485)
Permanent differences	**(9,440)**	(3,235)
Timing adjustments	**1,523**	1,187
Adjustments in respect of prior years	**194**	426
Utilised brought forward losses	**-**	(34)
Non-UK tax in excess of UK tax	**1,458**	145
Current tax charge	**1,979**	709

c) Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Group's profits for this accounting period are taxed at an effective rate of 23%. A number of changes to the UK corporation tax system were announced in the 2012 Autumn Statement and the March 2013 UK Budget Statement. The main rate of corporation tax reduces to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had been substantively enacted at the balance sheet date and, therefore, are included in these financial statements.

10 Tangible fixed assets - Group

£'000

	Freehold land & property	Leasehold property	Furniture, fittings & IT	Motor vehicles	Total
Cost or valuation					
Balance at 1 April 2013	15,723	32,477	47,219	103	95,522
Additions during the year	-	1,717	3,791	57	5,565
Intercompany transfers	(1,336)	-	(366)	(9)	(1,711)
Disposals during the year	-	(371)	(86)	(12)	(469)
Acquisitions and disposals of businesses	-	-	(654)	(8)	(662)
Adjustment for exchange differences	-	-	(156)	(2)	(158)
Balance at 31 March 2014	14,387	33,823	49,748	129	98,087
Accumulated depreciation					
Balance at 1 April 2013	1,064	15,815	37,680	81	54,640
Charge for the year	297	2,212	4,672	12	7,193
Eliminated in respect of disposals	-	(160)	(79)	(12)	(251)
Intercompany transfers	(1,336)	-	(366)	(9)	(1,711)
Acquisitions and disposals of businesses	-	-	(436)	(2)	(438)
Adjustment for exchange differences	-	-	(123)	(2)	(125)
Balance at 31 March 2014	25	17,867	41,348	68	59,308
Net book value at 31 March 2014	14,362	15,956	8,400	61	38,779
Net book value at 31 March 2013	14,659	16,662	9,539	22	40,882

10 Tangible fixed assets - Company

£'000

	Leasehold property	Furniture, fittings & IT	Motor vehicles	Total
Cost or valuation				
Balance at 1 April 2013	32,477	46,364	92	78,933
Additions during the year	1,717	3,545	48	5,310
Disposals during the year	(371)	(86)	(12)	(469)
Intercompany transfers	-	12	-	12
Adjustment for exchange differences	-	(87)	(2)	(89)
Balance at 31 March 2014	33,823	49,748	126	83,697
Depreciation				
Balance at 1 April 2013	15,815	36,900	76	52,791
Charge for the year	2,212	4,588	10	6,810
Eliminated in respect of disposals	(160)	(79)	(12)	(251)
Adjustment for exchange differences	-	(69)	(1)	(70)
Balance at 31 March 2014	17,867	41,340	73	59,280
Net book value at 31 March 2014	15,956	8,408	53	24,417
Net book value at 31 March 2013	16,662	9,464	16	26,142

11 Subsidiary undertakings

Ove Arup & Partners International Limited owns ordinary shares in the companies noted below and these companies were all wholly owned subsidiary undertakings of Ove Arup & Partners International Limited at 31 March 2014. The operating companies were all engaged in the same principal activities as the parent company except for Fitzroy Street Limited whose principle activity is property holdings.

Direct holdings	**Country of incorporation**
Arup Associates Limited	England & Wales
Fitzroy Street Limited	England & Wales
OASYS Limited	England & Wales
Ove Arup & Partners Limited	England & Wales
Indirect holdings	
Ove Arup & Partners Scotland Limited	Scotland

	£'000
	Cost
Movement of investment	
Opening balance at 1 April 2013	25,352
Additions	15,386
Transfers	(25,352)
Balance at 31 March 2014	**15,386**

The directors believe that the carrying value of the investments is supported by their underlying net assets.

12 Debtors

£'000

	2014		2013	
	Group	**Company**	Group	Company
Amounts recoverable on contracts	**19,412**	**19,412**	21,579	20,227
Trade debtors	**54,221**	**54,221**	63,202	58,430
Amounts owed by Group undertakings	**123,887**	**123,835**	152,825	117,401
Foreign tax recoverable	**1**	**1**	38	38
Deferred tax asset	**5,767**	**5,767**	5,078	5,078
Corporation tax	**1,526**	**1,526**	2,818	2,818
Other debtors	**4,640**	**4,640**	5,460	3,365
Prepayments and accrued income	**16,496**	**16,496**	19,361	18,918
	225,950	**225,898**	270,361	226,275

13 Creditors: amounts falling due within one year

£'000

	2014		2013	
	Group	**Company**	Group	Company
Amounts falling due within one year				
Deferred income	**62,711**	**62,711**	68,677	58,168
Trade creditors	**6,037**	**6,037**	11,842	11,820
Amounts owed to Group undertakings	**35,720**	**36,741**	88,761	57,957
Provision for foreign tax	**-**	**-**	506	147
Taxation and social security costs	**8,412**	**8,412**	8,735	8,735
Other creditors	**481**	**481**	969	572
Accruals	**34,326**	**34,326**	41,413	40,620
	147,687	**148,708**	220,903	178,019

14 Provision for liabilities

Movement of liabilities and charges

Opening balance at 1 April 2013	1,700
Utilisation / release of provision in the year	(798)
Balance at 31 March 2014	**902**

This provision relates to dilapidations on buildings leased by the Group, in accordance with our lease contracts.

15 Deferred taxation

£'000

	2014		2013	
	Group	**Company**	Group	Company
Timing differences due to accelerated taxation depreciation allowances	**5,484**	**5,484**	4,775	4,775
Short term timing differences	**283**	**283**	303	303
	5,767	**5,767**	5,078	5,078
Movement of deferred tax asset:				
At 1 April	**5,077**	**5,077**	4,209	4,209
Under provision of deferred tax in respect of prior years	**-**	**-**	169	169
Restated opening balance	**5,077**	**5,077**	4,378	4,378
Charge for the year	**(92)**	**(92)**	(1,048)	(1,048)
Less: deferred tax on pension scheme deficit	**3,381**	**3,381**	2,472	2,472
Adjustment for changes in corporation tax	**(2,625)**	**(2,625)**	(728)	(728)
Exchange rate difference	**26**	**26**	4	4
At 31 March	**5,767**	**5,767**	5,078	5,078

16 Called up share capital – Group and Company

	2014 £'000	2013 £'000
Issued, called up and fully paid:		
45,000,000 (2013: 45,000,000) ordinary shares of £1 each	**45,000**	45,000

17 Profit and loss account

£'000

	Group Profit and loss account	Company Profit and loss account
Balance at 1 April 2013	**(36,537)**	(30,833)
Profit for the financial year	**41,375**	36,393
Actuarial gain recognised in the pension schemes	**4,300**	4,300
Deferred tax liability movement related to the actuarial loss	**(7,044)**	(7,044)
Exchange translation differences	**2,973**	2,202
Balance at 31 March 2014	**5,067**	5,018
Profit and loss reserve excluding net pension scheme liabilities	**97,997**	97,948
Net pension scheme liabilities (note 24)	**(92,930)**	(92,930)
Profit and loss reserve	**5,067**	5,018

18 Reconciliation of movements in shareholders' funds - Group

	2014 £'000	2013 £'000
Balance at 1 April	**8,463**	8,095
Profit for the financial year	**41,375**	18,015
Exchange translation differences	**2,973**	(994)
Actuarial gain / (loss) recognised in the pension schemes	**4,300**	(19,200)
Deferred tax asset movement related to the actuarial (gain) / loss	**(7,044)**	2,547
Closing shareholders' funds	**50,067**	8,463
Shareholders' funds excluding net pension scheme liabilities	**142,997**	112,593
Net pension scheme liabilities (note 24)	**(92,930)**	(104,130)
Closing shareholders' funds	**50,067**	8,463

19 Contingent liabilities

The Group has recorded a liability in its balance sheet for the best estimate of certain claims that have been brought against it. At this time, it is not possible to reliably measure the potential liability from any other issue that may have occured but where a claim has yet to be raised. The Group monitors all claims and takes appropriate insurance to mitigate its risk.

20 Capital commitments

£'000

	2014		2013	
	Group	**Company**	Group	Company
Authorised and contracted for	**1,539**	**1,539**	345	345

21 Other financial commitments

£'000

The Group and Company have the following annual property leasing commitments at the year end in respect of leases expiring as follows:

	2014		2013	
	Group	**Company**	Group	Company
Within one year	**4,851**	**4,674**	5,161	5,106
In two to five years	**1,932**	**1,689**	2,734	2,528
After five years	**10,104**	**10,104**	11,524	11,524

22 Ultimate controlling party

The immediate parent undertaking of Ove Arup & Partners International Limited is Ove Arup Holdings Limited, a Company incorporated in England and Wales.

Arup Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2014. The consolidated financial statements of Arup Group Limited are publicly available at 13 Fitzroy Street, London W1T 4BQ.

The ultimate parent undertakings are Ove Arup Partnership Employee Trust, Ove Arup Partnership Charitable Trust and The Arup Service Trust. These are the owners of Arup Group Limited. The controlling party is Ove Arup Partnership Charitable Trust.

23 Related party transactions

The Company, its wholly owned subsidiaries and other Group companies transact with each other in the normal course of business. These transactions, in accordance with FRS 8 paragraph 3, are not disclosed as the Company is a wholly owned subsidiary of Arup Group Limited whose consolidated financial statements, in which the Company is included, are publicly available at 13 Fitzroy Street, London W1T 4BQ.

24 Pension commitments

The Group operated a UK registered, contributory pension scheme, which had a defined benefit and a defined contribution section, for employees. On 31 March 2010, the scheme was closed to new members. With effect from 30 June 2010, the future accrual of benefits for existing members ceased. The Group replaced this scheme with a group personal pension plan for employees with effect from 1 July 2010. All contributions for the new plan are held and managed by BlackRock Life Limited. The Group has no ongoing liability to the funds held by BlackRock in respect of the employees.

For the pension scheme which closed on 30 June 2010, contributions were made in accordance with the rules of the scheme and the advice of independent qualified actuaries on the basis of triennial valuations. The most recent valuation was at 31 March 2010 using the projected unit method. A special employer's contribution of £10m was made during the year to 31 March 2014 (2013: £9.5m). The next actuarial valuation is being carried out as at 31 March 2013 but the results will not be available at the date of signing these financial statements.

The valuation position of this scheme was reassessed at 31 March 2014 by a qualified independent actuary for the purposes of the financial reporting standard FRS 17.

The current amount of actuarial gains recognised in the statement of recognised gains and loss is £4.3m (2013: loss of £19.2m).

The scheme holds no assets that are issued or owned by the Group.

Management assessed the expected return on scheme assets based on a review of past returns and professional advice of the level of future returns.

24 Pension commitments (continued)

Assets in the scheme and the expected rates of return as at 31 March:

	Long term rate of return expected		Value of assets in the scheme	
	2014	2013	**2014 £'m**	2013 £'m
Equities and property	**7.1%**	7.4%	**453.5**	459.8
Bonds and cash including net current assets	**3.9%**	3.7%	**168.8**	144.7
Total market value of assets			**622.3**	604.5
Present value of defined benefit obligation			**(738.6)**	(739.8)
Deficit in the scheme			**(116.3)**	(135.3)
Less: related deferred tax asset at 20% (2013: 23%)			**23.3**	31.1
Net scheme liability			**(93.0)**	(104.2)

Major categories of scheme assets as a percentage of total scheme assets:

	2014	2013
Equities	**69%**	73%
Gilts and bonds	**13%**	23%
Property	**4%**	3%
Other	**14%**	1%
	100%	100%

Amounts recognised in the profit and loss account:

	2014 £'m	2013 £'m
Interest on obligation	**(34.2)**	(34.6)
Expected return on scheme assets	**38.9**	35.4
Net income	**4.7**	0.8
Actual return on scheme assets	**30.7**	66.0

Movement of deficit during the year

	2014 £'m	2014 £'m
Deficit in scheme at 1 April	**(135.3)**	(126.4)
Movement in the year:		
Employer contributions	**10.0**	9.5
Interest cost	**(34.2)**	(34.6)
Expected return on scheme assets	**38.9**	35.4
Actuarial gain / (loss)	**4.3**	(19.2)
Deficit in scheme at 31 March	**(116.3)**	(135.3)

24 Pension commitments (continued)

Reconciliation of the present value of the defined benefit obligation:

	2014	2013
	£'m	£'m
Present value of defined benefit obligation at 1 April	**739.8**	676.9
Interest cost	**34.2**	34.6
Actuarial (gain) / loss on scheme liabilities	**(12.5)**	49.8
Benefits paid	**(22.9)**	(21.5)
Present value of defined benefit obligation at 31 March	**738.6**	739.8

Reconciliation of fair value of scheme assets:

	2014	2013
	£'m	£'m
Fair value of scheme assets at 1 April	**604.5**	550.5
Expected return on scheme assets	**38.9**	35.4
Actuarial (loss) / gain on scheme assets	**(8.2)**	30.6
Actual return on scheme assets	**30.7**	66.0
Employer contributions	**10.0**	9.5
Benefits paid	**(22.9)**	(21.5)
Fair value of scheme assets at 31 March	**622.3**	604.5

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

At 31 March	**2014**	2013
Future average rate of increase in salaries	**N/A**	N/A
Future average rate of increase for pensions in payment and deferred pensions	**1.9%**	1.9%
Future average rate used to discount liabilities	**4.6%**	4.7%
Retail price inflation	**3.3%**	3.3%
Consumer price inflation	**1.9%**	1.9%
Pension increases:		
- Pre 88 Guaranteed Minimum Pension	**0.0%**	0.0%
- Post 88 Guaranteed Minimum Pension	**1.7%**	1.7%
- NGMP accrued before 01/10/2006 (5% LPI)	**3.0%**	3.0%
- Pension accrued after 31/09/2006 (2.5% LPI)	**1.9%**	1.9%

NGMP – Non guaranteed minimum pension
LPI – Limited price indexation

24 Pension commitments (continued)

Mortality	2014: 108% SAPS Light tables for males and 101% SAPS Light tables for females using the CMI 2013 projections, allowing for LTR of 1% per annum. 2013: PNA00 birth year mortality tables using the 92 series medium cohort projections, allowing for minimum improvements in mortality of 1% per annum.
Cash commutation	25% of members' pensions assumed to be taken as cash on current terms (2013: 30%)

Assumed life expectations on retirement at age 65 UK are:

	2014	2013
	Number of Years	
Retiring today		
Males	**22.9**	22.7
Females	**24.7**	25.1
Retiring in 20 years		
Males	**24.3**	24.6
Females	**26.2**	27.0

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions.

History of experience gains and losses

	2014	2013	2012	2011	2010
	£'m	£'m	£'m	£'m	£'m
Defined benefit obligation	**(738.6)**	(739.8)	(676.9)	(629.2)	(608.5)
Scheme assets	**622.3**	604.5	550.5	524.6	494.8
Scheme deficit	**(116.3)**	(135.3)	(126.4)	(104.6)	(113.7)
Experience adjustments on scheme liabilities	**15.5**	11.3	(14.0)	(23.7)	12.4
Experience adjustments on scheme assets	**(8.2)**	30.6	1.9	4.1	101.8
Total actuarial gains and (losses) recognised in statement of total recognised gains and losses	**4.3**	(19.2)	(31.0)	1.0	(66.0)

Estimated contributions

The employer's best estimate of contributions to be paid to the scheme next year is £12m (2013: £10m).

Defined contribution schemes

The Group has also made payments to defined contribution schemes of £14.9m (2013: £14.8m).

Arup Group
13 Fitzroy Street
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United Kingdom

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2

United Nations Global Compact:
Communication on Progress 2015

Attachment

- Global Human Rights Code of Practice

ARUP

Human Rights: Global Code of Practice

CODE OF PRACTICE

Arup is founded on the principles of ensuring that our people's work is interesting, rewarding and stimulated by a drive for excellence in an environment where people's lives are inextricably linked with those of other human beings.

A guiding principle of the firm is that everyone accords to others the rights that individuals claim for themselves and accept the moral and humanitarian values that this embraces. A person cannot be treated just as a link in a chain of command but as someone whose happiness and prosperity is a concern of all.

Purpose

Our approach on human rights reflects this by:

Value Diversity. Ensuring that Arup people work in an environment that is free from all forms of discrimination and that they are valued as individuals and treated with dignity and respect. Discrimination on the grounds of disability, race, age, religion or gender or sexual orientation is in conflict with out guiding principles.

Self Esteem. Providing an environment that is free from any form of harassment or intimidation by eliminated any form of behaviour or abuse that could affect an individual's self esteem, including bullying and victimisation.

Life Balance. Helping people to more easily balance their work, domestic and personal lives

Fair Reward. Fairly compensating employees through wages and benefits for their labours. Providing for rewards and other means for staff to share in the firm's success.

Effective Workplace. Giving people a safe, clean, comfortable and healthy working environment that provides for the needs of all employees including those with disabilities.

Integrity. Operating in an environment where we demonstrate consideration for people and respect for the job they do when they are striving to achieve the best that they can.

Personal Development. Treating people fairly, respecting the sanctity of human life and allowing gifted people to unfold.

Acting Honourably. Acting honourably in our dealings with our own and other people

Social Responsibility. Being aware of our social responsibility, striving to do socially useful work and joining hands with others who are working to achieve these values

Respect. Ensuring that no-one is subjected to arbitrary interference in their privacy, home or family or attacks on their honour or reputation.

Effective Date

28 May 2012

Applicability

All employees working for Arup worldwide and other third parties who are permitted access to the firm's electronic communications systems, including temporary staff, people who are hired on contract, contractors, joint venture partners and clients.

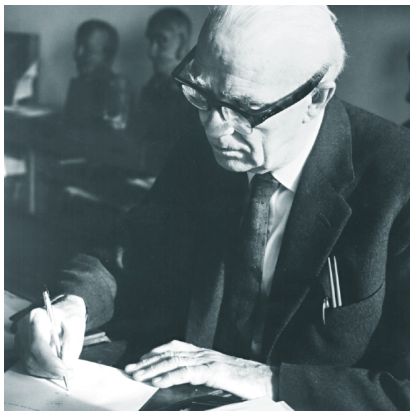
3

United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Key Speech

ARUP



The Key Speech

Sir Ove Arup

ARUP

On 9 July 1970 Ove Arup spoke to a meeting at Winchester of his partners from the practices around the world bearing the Arup name. His talk was in response to the collective desire to continue working together, despite the changes that would take place as the founding partners progressively retired and gave up ownership, handing over control to the successors they would choose for these practices.

The pre-natal name of 'key-speech' for this talk has endured, in recognition of the fact that in it Ove both states the aims of our firm and analyses in his very distinctive way the principles through which they may be achieved. From time to time we have asked ourselves whether what he said in 1970 remains valid for us, despite the fact that inevitably some specifics about the firm's organisation and individuals' roles therein to which he refers in passing have changed over the years. On each occasion we have found that it does, and thereby reaffirmed our commitment to these principles.

The Key Speech is required reading for each person who joins Arup or who wants to be reminded of what we are all about, and for those who want to learn about us.

In its pre-natal stage, this talk has been honoured with the name of 'key speech'. It is doubtful whether it can live up to this name. What is it supposed to be the key to? The future of the firm? The philosophy? The aims? At the moment, sitting in my garden and waiting for inspiration, I would be more inclined to call it: 'Musings of an old gentleman in a garden' - and leave it at that.

I have written before a piece called 'Aims and Means' for a conference of Senior and Executive Partners in London on 7 July 1969. It did not manage to deal much with means, however, and it is of course difficult to generalise about means, for they must vary with circumstances. The first part of this paper was published in *Newsletter 37*, November 1969. This you may have read - but I will shortly summarise the aims of the firm as I see them.

There are two ways of looking at the work you do to earn a living:

One is the way propounded by the late Henry Ford: Work is a necessary evil, but modern technology will reduce it to a minimum. Your life is your leisure lived in your 'free' time.

The other is:
To make your work interesting and rewarding. You enjoy both your work and your leisure.

We opt uncompromisingly for the second way.

There are also two ways of looking at the pursuit of happiness:

One is to go straight for the things you fancy without restraints, that is, without considering anybody else besides yourself.

The other is:
to recognise that no man is an island, that our lives are inextricably mixed up with those of our fellow human beings, and that there can be no real happiness in isolation. Which leads to an attitude which would accord to others the rights claimed for oneself, which would accept certain moral or humanitarian restraints.

We, again, opt for the second way.

These two general principles are not in dispute. I will elaborate them a little further:

The first means that our work should be interesting and rewarding. Only a job done well, as well as we can do it - and as well as it can be done - is that. We must therefore strive for quality in what we do, and never be satisfied with the second-rate. There are many kinds of quality. In our work as structural engineers we had - and have - to satisfy the criteria for a sound, lasting and economical structure. We add to that the claim that it should be pleasing aesthetically, for without that quality it doesn't really give satisfaction to us or to others. And then we come up against the fact that a structure is generally a part of a larger unit, and we are frustrated because to strive for quality in only a part is almost useless if the whole is undistinguished, unless the structure is large enough to make an impact on its own. We are led to seek overall quality, fitness for purpose, as well as satisfying or significant forms and economy of construction. To this must be added harmony with the surroundings and the overall plan.
We are then led to the ideal of 'Total Architecture', in collaboration with other like minded firms or, still better, on our own. This means expanding our field of activity into adjoining fields - architecture, planning, ground engineering, environmental engineering, computer programming, etc. and the planning and organisation of the work on site.

It is not the wish to expand, but the quest for quality which has brought us to this position, for we have realised that only intimate integration of the various parts or the various disciplines will produce the desired result.

The term 'Total Architecture' implies that all relevant design decisions have been considered together and have been integrated into a whole by a well organised team empowered to fix priorities. This is an ideal which can never - or only very rarely - be fully realised in practice, but which is well worth striving for, for artistic wholeness or excellence depends on it, and for our own sake we need the stimulation produced by excellence.

The humanitarian attitude

The other general principle, the humanitarian attitude, leads to the creation of an organisation which is human and friendly in spite of being large and efficient. Where every member is treated not only as a link in a chain of command, not only as a wheel in a bureaucratic machine, but as a human being whose happiness is the concern of all, who is treated not only as a means but as an end.

Of course it is always sound business to keep your collaborators happy - just as any farmer must keep his cattle in good health. But there is - or should be - more in it than that. (We know what happens to cattle.) If we want our work to be interesting and rewarding, then we must try to make it so for all our people and that is obviously much more difficult, not to say impossible. It is again an ideal, unattainable in full, but worth striving for. It leads to the wish to make everybody aware of, and interested in, our aims and to make the environment and working conditions as pleasant as possible within the available means.

This attitude also dictates that we should act honourably in our dealings with our own and other people. We should justify the trust of our clients by giving their interest first priority in the work we do for them. Internally, we should eschew nepotism or discrimination on the basis of nationality, religion, race, colour or sex - basing such discrimination as there must be on ability and character.

Humanitarianism also implies a social conscience, a wish to do socially useful work, and to join hands with others fighting for the same values. Our pursuit of quality should in itself be useful. If we in isolated cases can show how our environment can be improved, this is likely to have a much greater effect than mere propaganda.

There is a third aim besides the search for quality of work and the right human relationships, namely prosperity for all our members. Most people would say that this is our main aim, this is why we are in business. But it would be wrong to look at it as our main aim. We should rather look at it as an essential pre-requisite for even the partial fulfilment of any of our aims. For it is an aim which, if over-emphasised, easily gets out of hand and becomes very dangerous for our harmony, unity and very existence.

It costs money to produce quality, especially when we expand into fields where we have no contractual obligations and can expect no pay for our efforts. We may even antagonise people by poaching on their domain or by upsetting and criticising traditional procedures.

It also costs money to 'coddle' the staff with generosity and welfare, or to lose lucrative commissions by refusing to bribe a minister in a developing country, or to take our duty too seriously if nobody is looking.

Money spent on these 'aims' may be wisely spent in the long term, and may cause the leaders of the firm a certain satisfaction - but if so spent it is not available for immediate distribution among the members, whether partners or staff. So aim No. 3 conflicts to that extent with aims 1 and 2. Moreover, if money is made the main aim - if we are more greedy than is reasonable - it will accentuate the natural conflict about how the profit should be distributed between our members - the partners and staff or the different grades of staff.

The trouble with money is that it is a dividing force, not a uniting force, as is the quest for quality or a humanitarian outlook. If we let it divide us, we are sunk as an organisation - at least as a force for good.

So much for our aims. As aims, they are not in dispute. What is debatable, is how vigorously each shall be pursued - which is the most important; how to balance long term against short term aims. Let us first see what these aims imply.

Obviously, to do work of quality, we must have people of quality. We must be experts at what we undertake to do. Again, there are many kinds of quality, and there are many kinds of job to do, so we must have many kinds of people, each of which can do their own job well. And they must be able to work well together. This presupposes that they agree with our aims, and that they are not only technically capable but acceptable to us from a human point of view, so that they fit into our kind of organisation; and that they are effectively organised, so that the responsibility of each is clearly defined and accepted. In short, we must be efficient - individually, in all our sub-divisions, and as a world organisation.

I have tried to summarise the foregoing in a number of points. Like all classification, it is arbitrary and rough - but may nevertheless be useful as a help to understanding and discussion, if its imperfections and its incompleteness are borne in mind.

The main aims of the firm are:

Group A

1 Quality of work
2 Total architecture
3 Humane organisation
4 Straight and honourable dealings
5 Social usefulness
6 Reasonable prosperity of members.

If these aims could be realised to a considerable degree, they should result in:

Group B

7 Satisfied members
8 Satisfied clients
9 Good reputation and influence.

But this will need:

Group C

10 A membership of quality
11 Efficient organisation
12 Solvency
13 Unity and enthusiasm.

Of course there is not really any strict demarcation between aims *(Group A)* and means *(Group C)* and the results *(Group B)* flowing from the whole or partial fulfilment of the aims in A. And it is not absolutely certain that these results are obtained. For instance, A3 and 4 (a humane organisation and straight dealings) can as well be considered as a means, and in fact all the points are to some extent both aims and means, because they reinforce each other. And there will be members who are dissatisfied no matter how good the firm is, and the same may apply to clients, who may not appreciate quality at all. But on the whole, what I said is true. We should keep the six aims in A in view all the time, and concentrate on the means to bring them about.

But before I do this, I will try to explain why I am going on about aims, ideals and moral principles and all that, and

don't get down to brass tacks. I do this simply because I think these aims are very important. I can't see the point in having such a large firm with offices all over the world unless there is something which binds us together. If we were just ordinary consulting engineers carrying on business just as business to make a comfortable living, I can't see why each office couldn't carry on, on its own. The idea of somebody in London 'owning' all these businesses and hiring people to bring in the dough doesn't seem very inspiring. Unless we have a 'mission' - although I don't like the word - but something 'higher' to strive for - and I don't particularly like that expression either - but unless we feel that we have a special contribution to make which our very size and diversity and our whole outlook can help to achieve, I for one am not interested. I suppose that you feel the same, and therefore my words to you may seem superfluous; but it is not enough that you feel it, everybody in the firm should as far as possible be made to feel it, and to believe that we, the leaders of the firm, really believe in it and mean to work for it and not just use it as a flag to put out on Sundays. And they won't believe that unless we do.

On the other hand, who am I to tell you and the firm what you should think and feel in the future when I am gone - or before that, for that matter? It wouldn't be any good my trying to lay down the law, and I haven't the slightest inclination to do so. That is my difficulty. I dislike hard principles, ideologies and the like. They can do more harm than good, they can lead to wholesale murder, as we have seen. And yet we cannot live life entirely without principles. But they have in some way to be flexible, to be adaptable to changing circumstances. 'Thou shalt not lie', 'Thou shalt not kill', are all very well, generally, but do not apply if for instance you are tortured by fanatical Nazis or Communists to reveal the whereabouts of their innocent victims. Then it is your duty to mislead. What these commandments should define is an attitude. To be truthful always, wherever it does no harm to other ideals more important in the context, to respect the sanctity of human life and not to destroy life wantonly. But where to draw the line in border cases depends on who you are, what life has taught you, how strong you are.

In the following 13 points, which I must have jotted down some time ago - I found them in an old file - I am grappling with this question, perhaps not very successfully. I give them to you now:

Principles

1 Some people have moral principles.
2 The essence of moral principles is that they should be 'lived'.
3 But only saints and fanatics do follow moral principles always.
4 Which is fortunate.
5 Are then moral principles no good?
6 It appears we can't do without them.
7 It also appears we can't live up to them.
8 So what?
9 A practical solution is what I call the *star system*.
10 The star - or ideal - indicates the course. Obstacles in the way are *circumnavigated but one gets back on the course* after the deviation.
11 The system is adopted by the Catholic church. Sins can be forgiven if repented - it doesn't affect the definition of good or evil.
12 That this system can degenerate into permanent deviation is obvious.
13 One needs a sense of proportion.

Incidentally, they should not be taken as an encouragement to join the Catholic church!

I found also another tag:

'The way out is not the way round but the way through.' That's rather more uncompromising, more heroic. It springs from a different temperament. It's equally useful in the right place. But the man that bangs his head against a wall may learn a thing or two from the reed that bends in the wind.

The trouble with the last maxim is that it says something about the way, but not about the goal. The way must be adapted to the circumstances - the goal is much more dependent on what sort of person you are. I admit that the last maxim also says a good deal about the man who propounds it, a man of courage, of action, perhaps not given too much to reflection, perhaps not a very wise man. The wise man will consider whether this way is possible, whether it leads to the desired result. Unless of course his goal is to go through, not to arrive anywhere, like the man in the sports car. But this only shows that it is the goal which is important, whatever it is.

The *star system* is an attempt to soften the rigidity of moral principles. But it doesn't really solve this dilemma. It is a little more flexible than moral precepts as to the way, but surely the 'stars' must be fixed - for if they can be changed *ad lib* the whole thing wobbles. And that in a way is what it does - I can't do anything about that. I should have loved to present you with a strictly logical build-up, deducing the aims for the firm from unassailable first principles. Or perhaps this is an exaggeration - for I know very well that this can't be done. All I can do is to try to make the members of the firm like the aims I have mentioned. I would like to persuade them that they are good and reasonable and not too impossible aims, possessing an inner cohesion, reinforcing each other by being not only aims but means to each other's fulfilment.

'Stars' like goodness, beauty, justice have been powerful forces in the history of mankind - but they so often are obscured by a mental fog - or perhaps I should say the opposite - they are created by a mental fog, and when the fog lifts, they are seen to have been illusions. They are man-made. I do not rate them less for that reason - but they are too remote, too indefinable, to be of much practical use as guide-lines. They sustain or are born of the longings of mankind, and belong to the ideal world of Plato - which is fixed for ever. Rigid ideologies feed on them. Not so practical politics.

Our aims on the other hand are not nearly so remote. We will never succeed in fulfilling them *in toto*, but they can be fulfilled more or less, and the more the better. And they are not grasped arbitrarily out of the sky or wilfully imposed, they are natural and obvious and will, I am sure, be recognised as desirable by all of you: so much so, in fact, that the thing to be explained is not why they are desirable, but why I should waste any words on them.

I do, as I pointed out at the beginning of this argument, because our aims are the only thing which holds us together, and because it is not enough to approve them, we must work for them - and the leaders must be prepared to make sacrifices for them. Temporary diversions there must be, we have to make do with the second best if the best is not within reach, we have to accept expediencies and from a strict point of view all our activities can be considered as expediencies, for in theory they could all be better still - but the important thing is that we always get back on the course, that we never lose sight of the aims. Hence the name *star system* derived from comparison with old fashioned navigation. But I propose to abandon this expression, partly because its meaning in the film industry may confuse, especially as it is very opposed to our point of view, which is in favour of teamwork rather than stardom: and also because it suggests star-gazing, which I find uncomfortably near the bone because I might with some justification be accused of it. So I am afraid we have to fall back on 'philosophy'. Having dabbled in this subject in my youth I have been averse to seeing the term degraded by talk about the philosophy of pile-driving or hair-dressing, but it is of course useless to fight against the tide. The word has come to stay - and in 'the philosophy of the firm', it is not used quite so badly. So that's what I have been giving you a dose of.

I will now discuss what we have to do in order to live up to our philosophy. And I will do it under the four headings 10 to 13 in my list of aims and means:

10 Quality staff

11 Efficiency

12 Solvency

13 Unity and enthusiasm.

But it will of course be necessary to mix them up to some extent.

Quality of Staff

How do we ensure that our staff is of the right quality, or the best possible quality?

We all realise, of course, that this is a key question. The whole success of our venture depends on our staff. But what can we do about it? We have the staff we have - we must make do with them, of course (and I think we have a larger proportion of really good people than any other firm of our kind). And when we take on new people - the choice is limited. Again we have to take the best we can get. We cannot pay them a much higher salary than our average scale, because that would upset our solvency and sink the boat. Naturally our method of selection is important, and what we can do to educate our staff and give them opportunities to develop is important, but I can't go into details here. All I can say is that staff getting and staff 'treating' must not degenerate into a bureaucratic routine matter, but must be on a personal level. When we come across a really good man, grab him, even if we have no immediate use for him, and then see to it that he stays with us.

The last is the really important point, which in the long run will be decisive. Why should a really good man, a man - or woman - who can get a job anywhere or who could possibly start out on his own, why should he or she choose to stay with us? If there is a convincing and positive answer to that, then we are on the right way.

Presumably a good man comes to us in the first instance because he likes the work we do, and shares or is converted to our philosophy. If he doesn't, he is not much good to us anyhow. He is not mainly attracted by the salary we can offer, although that is of course an important point - but by the opportunity to do interesting and rewarding work, where he can use his creative ability, be fully extended, can grow and be given responsibility. If he finds after a while that he is frustrated by red tape or by having someone breathing down his neck, someone for whom he has scant respect, if he has little influence on decisions which affect his work and which he may not agree with, then he will pack up and go. And so he should. It is up to us, therefore, to create an organisation which will allow gifted individuals to unfold. This is not easy, because there appears to be a fundamental contradiction between organisation and freedom. Strong-willed individuals may not take easily to directions from above. But our work is teamwork and teamwork - except possibly in very small teams - needs to be organised, otherwise we have chaos. And the greater the unit, the more it needs to be organised. Most strong men, if they are also wise, will accept that. Somebody must have authority to take decisions, the responsibility of each member must be clearly defined, understood and accepted by all. The authority should also be spread downwards as far as possible, and the whole pattern should be flexible and open to revision.

We know all this, and we have such an organisation: we have both macro, micro and infra-structure. It has been developed, been improved, and it could undoubtedly be improved still further. We are of course trying to do that all the time. The organisation will naturally be related to some sort of hierarchy, which should as far as possible be based on function, and there must be some way of fixing remuneration, for to share the available profit equally between all from senior partner to office-boy would not be reasonable, nor would it work. And all this is very tricky, as you know, because, as soon as money and status come into the picture, greed and envy and intrigue are not far behind. One difficulty is particularly knotty, the question of ownership, which is connected with 'partnership'. There is dissatisfaction amongst some of those who in fact carry out the functions of a partner - dealing with clients, taking decisions binding on the firm, etc - because they cannot legally call themselves partners but are 'executive' partners - or have some other title. I have discussed this problem in my paper Aims and Means. If some viable way could be found to make 100 partners, I wouldn't mind, but I can't think of any.

In the Ove Arup Partnership we have all but eliminated ownership - the senior partners only act as owners during their tenure of office - because someone has to, according to the laws of the country. And I wish that system could be extended to all our partnerships. It no doubt irks some people that the money invested in the firm may one day (with some contriving) fall into the turban of people who have done nothing to earn it - but what can we do? The money is needed for the stability of the firm, it makes it possible for us to earn our living and to work for a good cause, so why worry?

It may be possible to devise a different and better arrangement than the one we have now, more 'democratic', more fair: it may be possible to build in some defences against the leaders misbehaving and developing boss-complexes and pomposity - and forgetting that they are just as much servants in a good cause as everybody else - only more so. This is partly a legal question depending on the laws of the country. But I have neither the ability nor the time to deal with all that here. What I want to stress is the obvious fact that no matter how wonderful an organisation we can devise, its success depends on the people working in it - and for it. And *if* all our members really and sincerely believed in the aims which I have enumerated, if they felt some enthusiasm for them, the battle would be nearly won. For they imply a humanitarian attitude, respect and consideration for persons, fair dealings, and the rest, which all tend to smooth human relationships. And anyone having the same attitude who comes into an atmosphere like that, is at least more likely to feel at home in it. And if the right kind of people feel at home with us, they will bring in other people of their kind, and this again will attract a good type of client and this will make our work more interesting and rewarding and we will turn out better work, our reputation and influence will grow, and the enthusiasm of our members will grow - it is this enthusiasm which must start the process in the first place.

And they all lived happily ever after?

Yes, it sounds like a fairy tale, and perhaps it is. But there is something in it. It is a kind of vicious circle - except that it isn't vicious, but benevolent, a lucky circle. And I believe that we have made a beginning in getting onto this lucky circle. I believe that our fantastic growth has something to do with our philosophy. And I believe our philosophy is forward looking, that it is what is needed today, is in tune with the new spirit stirring in our time. But of course there are many other and dangerous spirits about and too much growth may awaken them. Too much growth may also mean too little fruit.

My advice would be:

'Stadig over de klipper',

or if you prefer:

'Take it easy!'
'More haste less speed!'
'Hâtez-vous lentement!'
'Eile mit weile!'
'Hastvaerk er lastvaerk!'

It's the fruit that matters. I have a lingering doubt about trying to gain a foothold in various exotic places. Might we not say instead: Thank God that we have not been invited to do a job in Timbuctoo - think of all the trouble we are avoiding. It's different with the work we do in Saudi Arabia, Tehran and Kuwait[1]. There we are invited in at the top, working with good architects, doing exciting work. We are not hammering at the door from outside. But as a rule, grab and run jobs are not so useful for our purpose. I think the Overseas Department agrees with this in principle, if not in practice.

It's also different with civil engineering work, provided we have control - complete control - over the design and are not 'sharing' the job or having a quantity surveyor or 'agent', etc, imposed on it preventing us from doing the job our way. The general rule should be: if we can do a job we will be proud of afterwards, well and good - but we will do it our way. In the long run this attitude pays, as it has already done in the case of Arup Associates. And incidentally, the control of such jobs should be where our expertise resides.

To export Arup Associates' jobs is much more difficult, for whilst we may be able to build a bridge or radio tower in a foreign locality, good architecture presupposes a much more intimate knowledge of the country. Long distance architecture generally fails. But that does not mean that the ideal of Total Architecture is irrelevant to our purely engineering partnerships or divisions. In fact they have been founded on the idea of integrating structure with architecture and construction, and in Scotland for instance they are trying to give architects a service which will unite these domains[2].

Coming back to my main theme, I realise that when I have been talking about quality, about interesting and rewarding work, about Total Architecture, and attracting people of calibre, you may accuse me of leaving reality behind. 'As you said yourself', you may say, 'our work is teamwork. And most of this work is pretty dull. It is designing endless reinforced concrete floors, taking down tedious letters about the missing bolts, changing some details for the nth time, attending site meetings dealing with trivialities, taking messages, making tea - what is exciting about that? You are discriminating in favour of an elite, it's undemocratic. What about the people who have to do the dull work?'

Equality of opportunity

You have certainly a point there. Of course I am discriminating in favour of quality, and I would do anything to enable our bright people to use their talents. You cannot equate excellence with mediocrity, you cannot pretend they are the same. We would be sunk if we did that. We need to produce works of quality, and we need those who can produce them. One perfect job is more important for the morale of the firm, for our reputation for producing enthusiasm, than 10 ordinary jobs, and enthusiasm is like the fire that keeps the steam-engine going. Likewise one outstanding man is worth 10 men who are only half good. This is a fact of life we cannot change. It is no good pretending that all are equal - they aren't. There should be equality before the law, and as far as possible equality of opportunity, of course. But the fact that you are good at something is something you should be grateful for, not something to be conceited about. It doesn't mean that you are better as a human being. And there are probably many other things you are hopeless at.

No man should be despised or feel ashamed because of the work he does, as long as he does it as well as he can. What we should aim at, naturally, is to put each man on to the work he can do. And, fortunately, there is nearly always something he can do well. We will have square pegs in round holes, we shall have frustrated people, unfortunately - those who are not frustrated one way or another are in the minority. But fortunately people vary, as jobs vary, and few would want to do the job another calls interesting if they are no good at it.

1. In 1970 Arup was carrying out a good deal of work in the Middle East.

2. In 1970 Arup's Scottish practice had just begun to offer a multidisciplinary engineering service for buildings.

If we can reach a stage where each man or woman is respected for the job they do, and is doing his or her best because the atmosphere is right, because they are proud of what we are and do and share in the general enthusiasm, then we are home. And each job is important. Secretaries, for instance. They could have a tremendously civilising influence on our staff. They could teach them to write English, for instance, a most important and necessary job. But secretaries who can do that are of course at a premium. We must try to find them. It is even more important than that they are good-looking - and nobody could accuse me of being indifferent to that.

Our messengers and cleaners - how important it is that they are reliable and likeable, human, with a sense of humour. A cheerful remark can brighten the day. All our people are part of us, part of our 'image', create the atmosphere we live in.

But it doesn't alter the fact that the services of a messenger are less valuable to the firm than those of a gifted designer or an imaginative mechanical engineer, a fact that even the messenger will understand.

But there are of course people we cannot employ usefully. Masses of them, in fact. Those we should not take on, obviously, except on a strictly temporary basis. But sometimes they are found inside the firm. They may have been good once, but are on the way down. I am a case in point myself. But their loyal service, their place in the hierarchy, makes it difficult to de-grade them. To deal with them requires much tact, and is embarrassing. But they should not be allowed to pretend to do jobs they are no good at. They must not prevent the good ones from functioning. It's a problem all firms have, it's one of the cases where humanity and efficiency clash. To resolve it tactfully may be expensive, not to resolve it is fatal.

So far I haven't said much about solvency. Stuart Irons[3] can tell you something about that. I compare it to stability in engineering structures - without it the whole thing collapses but if you have much more money than you need the usefulness of it declines until it becomes distracting and dangerous. That danger need not worry us for the time being. At the moment the need for solvency is restricting, and is the most frequent cause of having to compromise. That we may have to do - but let's not do it unnecessarily, and let's get back on course.

And Unity and Enthusiasm, the last item, is in a way what my talk has been about. It is a question of giving the firm an identity. What do we mean, when we speak about the firm, about 'we' or 'us'? Is it the whole collection of people in dozens of offices in different places? Are 'we' all of them or some of them, and which?

I think it is unavoidable that 'we' should mean different things in different contexts. Sometimes what is said is only relevant to the upper layers of management, sometimes it is meant to include everybody. What we must aim at is to make 'we' include as many as possible as often as possible. To increase the number of those who have a contribution to make, however small, who agree wholeheartedly with our aims and want to throw in their lot with us. We might think about them as members of our community; the others, who come and go, might be called staff. Of course there can never be any clear line of demarcation - it is not a question of signing a form or bestowing a title - it is a matter of how each feels and what we feel about them. For it is a two-way business.

But what binds our membership together must be loyalty to our aims. And only as long as the leaders of the firm are loyal to these can they expect and demand loyalty from the members. This speech is too long already, and I have not even touched on what you perhaps expected to be the main subject of my talk, the relationship between the Ove Arup Partnership and the Overseas Partnerships. But from the foregoing my point of view should be clear.

The fact that we have these outposts all over the world is of course an enormous source of strength to us and to you, it helps to establish our reputation and power for good, and opens up opportunities for all our members. This is however only because the leaders in these places are our own people, bound to us by common aims and friendships. But as the old leaders retire and growth takes place mainly locally, the ties that bind us together may weaken. We should prevent this by forging more ties, forming new friendships, and always being true to our principles. Improve communications - the universal injunction nowadays. Absence does not make the heart grow fonder, unfortunately. There will always be a need for a strong coordinating body - which is at the moment formed by the senior partners - which has the power to interfere if our principles are seriously betrayed. For should that happen, it would be better to cut off the offending limb, less the poison should spread. Our name must not be allowed to cover practices which conflict with our philosophy. But at the moment there is no danger of that, and we can take comfort from what has been achieved. Perhaps that should have been the gist of my talk? But you are seeing it for yourself. I could also have dwelt on how far we have still to go; it would perhaps have accorded more with my star-gazing habits. But my time is up - my speech should have been condensed to one-third - but it is too late now. I hope at any rate that I haven't deserved the warning which the Duke of Albany addressed to Goneril in *King Lear*:

> *How far your*
> *eyes may pierce*
> *I cannot tell.*
> *Striving to better,*
> *oft we mar*
> *what's well.*

3. The then Financial Director.

Arup's core values maintain the vision established by Sir Ove Arup (1895-1988):

- We will ensure that the Arup name is always associated with quality.
- We will act honestly and fairly in dealings with our staff and others.
- We will enhance prosperity for all Arup staff.

Our priorities are:

- our clients and our industry
- our creativity
- our people
- sustainable development.

We shape a better world:

- to enhance prosperity and the quality of life
- to deliver real value
- to have the freedom to be creative and to learn.

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4

United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Global Harassment Code of Practice & UK Local Procedure

ARUP

Harassment : code of practice

Purpose

Arup believes that all employees have a right to be treated with dignity and respect while at work and when representing the company outside of work. The following code of practice informs employees of the type of behaviour that is not acceptable and provides employees who are subjected to harassment with a means of redress without fear of reprisal.

CODE OF PRACTICE

Arup identifies that employees have a right to be treated with dignity and respect. Harassment is harmful, unlawful and can reduce the effectiveness of the organisation by undermining the confidence of employees and creating a threatening environment. Employees have a right to work in an environment, which is free from harassment of any kind.

The organisation will take positive action to prevent its occurrence. Any complaint will be taken seriously and the necessary resources deployed to investigate and resolve the matter.

Effective date

1 May 2001

Applicability

All employees working for Arup worldwide.

ARUP

Harassment & Bullying
UK Policy

What can be categorised as Harassment?

Harassment may be characterised as unwanted conduct affecting the dignity of people in the workplace. It may be related to age, gender, gender reassignment, marital or civil partner status, pregnancy, race colour, disability, sex, sexual orientation, religion or belief, nationality of ethnic origin ("protected characteristics"), or any other personal characteristic of the individual. It may be persistent or an isolated incident. The key is that the actions or comments are viewed as demeaning and unacceptable to the recipient, whether or not this is intentional. It can occur in or at of the work place, such as on business trips or at events or work related social functions.

Bullying and Harassment can be carried out by anyone (including senior managers, officers, directors, employees, part time and fixed term employees as well as consultants, contractors, casual workers and agency staff) and also by third parties, such as customers, suppliers and/or visitors to Arup's premises.

Any complaint will be taken seriously and the necessary resources deployed to investigate and resolve the matter. Once the investigation is completed, the Leader who initiated the investigation will decide, on the strength of the findings, the appropriate action to be taken. Bullying and Harassment will be treated as misconduct.

Conversely, any malicious complaint which, on investigation, is shown to be without foundation, will be treated as a matter no less serious than an act of harassment.

Individual members of staff may in some cases be legally liable for harassment of colleagues or third parties and may be ordered to pay compensation by a Court or an Employment Tribunal.

What is Bullying?

Bullying may be characterised as offensive, intimidating, malicious, or insulting behaviour; an abuse or misuse of power through means which undermine, humiliate, denigrate, or injure the recipient.

Research suggests that bullies are just as likely to be female as male and that bullying happens equally to men and women.

Bullying behaviour may include:

- Setting of unachievable objectives and timescales
- Insisting that the management way is the only correct way of doing things
- Frequently 'changing the goal posts'
- Setting of 'trick' problems
- Public 'dressings down' whether justified or not
- Continual nit-picking about minor issues
- Asking individuals loaded questions about themselves
- Continually making derogatory statements about an individual
- Calling individuals by offensive names.

Legitimate, reasonable and constructive criticism of a workers' performance or behaviour, or a reasonable instruction given to a worker in the course of their employment will not amount to bullying on their own.

What is Harassment?

Harassment is any unusual physical, verbal or non-verbal contact which has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for them. It also includes treating someone less favourably because they have submitted or refused to submit to such behaviour in the past.

Harassment may include, for example:

- unwanted physical contact, including touching, pinching, probing, brushing past someone and more serious forms of physical or sexual assault;
- unwelcome sexual advances or suggestive behaviour;
- sending or displaying material that is pornographic or that some people may find offensive;
- offensive or intimidating comments or gestures or insensitive jokes;
- mocking, mimicking or belittling a persons' disability;
- racist, sexist, homophobic or ageist jokes, or derogatory of stereotypical remarks about a particular ethnic or religious group or gender;
- outing or threatening to out someone as gay, or lesbian; or
- ignoring or shunning someone, for example, by deliberately excluding them from a conversation or workplace social activity

A person may be harassed even if they were not the intended "target". For example, a person may be harassed by racist jokes about a different ethnic group if they create an offensive environment.

How do I raise my concerns?
What are the first steps?- Informal procedure

Employees who are harassed should keep a written record of all incidents, including the date, time, nature of incident, the names of those involved and the names of any witnesses. They should ask for colleagues who have witnessed the harassment to provide written statements of what they have seen or heard, so that they can be provided as evidence. The Human Resources Group is available to give confidential support and advice.

If possible, the person or persons carrying out the harassment should be told by the individual who is being harassed that the behaviour is offensive and unwanted and must stop. This can either be done by talking to the individual(s), or alternatively, writing a letter stating what happened, where and when. A colleague or a member of Human Resources Group can act as a witness when this statement is made. Alternatively, an appropriate Leader can speak to the alleged harasser.

Whenever possible, any complaint of harassment should be made in the first instance to the person to whom they report or someone of a similar level.

What can I do next? -Formal procedure

Where informal methods fail, or where a more serious incident of harassment occurs, employees have the right to bring a formal complaint using the firm's Grievance procedure (see Grievance code of practice). The complaint should be made in writing, and where possible state: the identity of the harasser(s)

- The nature of the harassment
- Date(s) and time(s) when harassment has occurred
- Names and witnesses to any incidents of harassment
- Any action taken by the employee to stop the harassment.

Employees may raise a complaint of harassment either with their Leader, a more senior member of the firm, or directly to the Human Resources Group. Where the complaint is raised initially with a Leader, the Leader should immediately involve the Human Resources Group.

The Leader will arrange for a thorough investigation of the complaint. The investigation will be conducted by someone with no prior involvement in the complaint. The steps taken will be those set out in the Grievance procedure. As far as possible, confidentiality will be maintained throughout the investigation. Individuals not involved in the complaint or the investigation are not to be told about it. It may be necessary to interview witnesses to the incidents complained of, and if so the importance of confidentiality will be emphasized to

them.

Where the complaint is about a member of staff we may consider suspending them on full pay pending the outcome of the investigation. The investigator will also meet with the alleged harasser or bully to hear their account of events. They have the right to be told the details of the allegations against them so they can respond.

Where your complaint is about someone other than an employee, such as a contractor, customer, supplier or visitor, we will consider what action may be appropriate to protect you and anyone else involved pending the outcome of the investigation, bearing in mind the reasonable needs of the firm and the rights of that person.

Once the investigation is completed, the Leader who initiated the investigation will decide, on the strength of the findings, the appropriate action to be taken. This may include disciplinary action, in which case the Conduct & Performance code of practice and disciplinary procedure will apply. A meeting will be arranged with you to discuss the outcome of your complaint and what action, if any, should be taken. You have the right to bring a colleague to the meeting, whether or not the complaint is upheld. We will consider how best to manage the ongoing working relationship between you and the alleged harasser or bully. This may include some form of mediation or counselling, or change to the duties, working location or reporting lines of both parties.

Where the harasser or bully is a third party, appropriate action might include putting up signs setting out acceptable and unacceptable behaviour, speaking or writing to the person about their behaviour or in very serious cases, banning them from the premises.

As a general principle, the decision whether to progress a complaint is up to you. However, Arup has a duty to protect all staff and may pursue the matter independently if we consider it appropriate to do so. Any malicious complaint which, on investigation, is shown to be without foundation, will be treated as a disciplinary matter no less serious than an act of harassment.

If the complainant or the alleged harasser is dissatisfied with the outcome of the procedure then he or she may appeal, (see appeals procedure in the Grievance Procedure and/or Conduct & Performance code of practice).

What are the roles in this process?

Leaders

- Any Leader who receives a complaint of harassment must arrange for an investigation of the complaint or incident and ensure that the problem is resolved as

quickly as possible, making sure that appropriate action is taken to ensure compliance with the code of practice. Failure to take corrective action may in itself be treated as a disciplinary offence.

- All Leaders have a duty to establish and maintain a working environment free from harassment and should be observant and alert to the kind of behaviour which might indicate that a problem exists. Leaders should also be prepared to deal with any inappropriate behaviour even if it has not been complained about.
- Leaders are responsible for notifying the Human Resources Group when a formal case is raised, and must keep the Human Resources Group informed and involved as necessary, throughout the process.
- Leaders are responsible for ensuring that employees for whom they are responsible have knowledge of and understanding of the firm's code of practice.

Human Resources Group

- The Human Resources Group will assist Leaders and employees with advice and guidance involved in the use of this code of practice and will keep it under review.
- The Human Resources Group will also arrange for employees who request it to have access to advice from trained counsellors, eg from the firm’s Employee Assistance Programme.

Employees

- All employees must comply with this policy and take steps to ensure that harassment does not occur.
- Any employee who feels bullied should feel confident that complaints will be taken seriously and dealt with in confidence
- Any employee who is made aware of harassment by a colleague must respect the confidence of the parties involved and should encourage the person being harassed to consider using the correct procedure.
- If an employee believes that a colleague is being harassed and that they have not complained about it, then it is the employee's duty to report the harassment of the colleague to their Leader or to the Human Resources Group.
- Employees who make complaints or who participate in good faith in any investigation conducted under this policy must not suffer any form of retaliation or victimisation as a result. If you believe you have suffered any such treatment you should inform the Human Resources Group. If the matter is not remedied you should file it formally using the firm's Grievance Procedure. Anyone found to have retaliated against or victimised someone for making a complaint or assisting in good faith with an investigation under this procedure will be subject to disciplinary action under the firm's Disciplinary Procedure.

5

United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Global Health & Safety Policy & OHSAS 18001:2007

ARUP

Health and Safety Policy

ARUP

Mission

To shape a better world

Objectives

To deliver this, the firm will:

- ensure, so far as is reasonably practicable, the health and safety at work of all our employees including temporary and contract staff, and of other persons affected by our actions;
- provide such health and safety training, specialist advice, information, instruction and supervision as may be necessary to personnel at all levels;
- implement programmes for the prevention of injury and ill health, and for the continual improvement in the management and performance of our health and safety systems;
- integrate health and safety considerations into our design and business decisions commensurate with applicable law and professional standards; and
- operate within a management system that is registered as meeting the requirements of OHSAS 18001 or equivalent.

Outcomes

In meeting these objectives, the firm will:

- comply with applicable legal and other requirements;
- maintain a high standard of health and safety awareness by training and developing our staff;
- develop and record health and safety competencies for key staff; and
- achieve a performance which will sustain the long-term success of the business.

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Lup-Moon Lui

Arup Group Health and Safety Director

www.arup.com

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Leader for .....

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..... Region / Group

Last reviewed April 2014

Health and Safety Policy

Mission

To shape a better world.

Objectives

To deliver this, the firm will:

- Ensure, so far as is reasonably practicable, the health and safety at work of all our employees including temporary and contract staff, and of other persons affected by our actions
- Provide such health and safety training, specialist advice, information, instruction and supervision as may be necessary to personnel at all levels
- Implement programmes for the prevention of injury and ill health, and for the continual improvement in the management and performance of our health and safety systems
- Integrate health and safety considerations into our design and business decisions commensurate with applicable law and professional standards
- Operate within a management system that is registered as meeting the requirements of OHSAS 18001 or equivalent.

Outcomes

In meeting these objectives, the firm will:

- Comply with applicable legal and other requirements
- Maintain a high standard of health and safety awareness by training and developing our staff
- Develop and record health and safety competencies for key staff
- Achieve a performance which will sustain the long-term success of the business.

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Lup-Moon Lui
Arup Group Health and Safety Director

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~~Leader~~ for ..... COO .....

..... UKMEA ..... Region

www.arup.com

ARUP

Lloyd's Register
LRQA

CERTIFICATE OF APPROVAL

This is to certify that the Management System of:

Ove Arup & Partners International Ltd
Ove Arup & Partners Ltd
13 Fitzroy Street, London
United Kingdom

has been approved by Lloyd's Register Quality Assurance to the following Quality, Environmental and Safety Management System Standards:

ISO 9001:2008
OHSAS 18001:2007
ISO 14001: 2004

The scope of this approval is applicable to:

Provision of multi-disciplinary design and consultancy services.

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

Approval
Certificate No: LRQ 4003789

Original QMS Approval:	20 October 1994
Original EMS Approval:	12 December 2001
Original SMS Approval:	2 April 2008
Current Certificate:	28 April 2015
Certificate Expiry:	1 April 2017

Issued by: Lloyd's Register Quality Assurance Limited

UKAS
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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- UKMEA Regional Diversity Strategy

ARUP

UKMEA diversity and inclusion strategy 2015-2017

UKMEA diversity and inclusion strategy 2015-2017

Vision

We want to be able to tell a story.

A story of an organisation that recruits, retains and develops a truly diverse workforce that reflects the communities it serves, no matter the grade or discipline.

The kind of place where people are proud to work, and feel comfortable in their own skin.

Why diversity and inclusion is important

Everyone is different and everyone's perspective matters. At Arup we recognise that diverse teams stimulate innovation and respond better to society's needs. Diversity is about acknowledging and celebrating these differences and ensuring that everyone is treated fairly.

By embracing an inclusive culture that supports diverse talent, our people collaborate successfully and enable Arup to compete effectively. At Arup, we will provide an inclusive culture to enable everyone to feel they have a voice, and to be themselves.

Read on to see how our strategy will deliver this vision.

This Report

Introduction
Creating a culture of inclusion
Learn more +

Where are we now?
Diversity and inclusion at Arup
Learn more +

Going Forward
Our strategy 2015-2017
Learn more +

Introduction

Fostering a culture of inclusion is not a new idea, indeed, it is part of the very foundation on which Arup was built. To quote Ove Arup:

"If we can reach a stage where each man or woman is respected for the job they do, and is doing his or her best because the atmosphere is right, because they are proud of what we are and do and share in the general enthusiasm, then we are home."

We want our people to feel valued and for this they need to be treated with dignity and respect. And yet we know this doesn't always happen and sometimes barriers exist which prevent everyone from being treated equally.

To make sure this happens, we have created this diversity and inclusion strategy; a plan of action with key deliverables to keep us on track. Its overriding principle is a simple one: people should be appreciated as individuals for reasons related to business interests, as well as for moral and social reasons. **It's the right thing to do.**

In taking the widest possible view of inclusion and diversity, going beyond abilities, age, ethnicity, religion, sexual orientation, gender identity and expression, we will create an environment that welcomes and delights in the richness of our differences and in which all can thrive.

Diversity and inclusion: The business case

The benefits that a diverse and inclusive organisation can bring include:

- The ability to recruit, retain and progress the best talent. Research shows that employees are 20% more likely to stay at a company where difference and inclusion co-exist [1]
- An impact on our bottom line. Companies with inclusive cultures are 45% more likely to have improved market share, and 70% more likely to have captured a new market [2]
- Improvement in our leadership and decision making capability
- More opportunities for innovation; diversity and inclusion embedded within teams discourages 'group think'
- Reputation; meeting client and wider stakeholder expectations; demonstrating we know diversity & inclusion is not just a 'nice to have'
- Alignment with our values; increasing staff satisfaction.

[1] The Corporate Executive board Global Labour Market survey of 18,500 employees
[2] The Centre of Talent Innovation (2013) Study looks at 75 corporations, across 192 countries covering 6 million employees

Next: Where are we now

Where are we now?

Diversity and inclusion at Arup

A diverse and inclusive environment is only possible with the support, dedication and input of our people. Every single one of us. That includes our UKMEA Board, committed champions, steering group and Connect group members, who all devote time and energy to help make Arup a better place.

Championing D&I at Arup

Diversity and inclusion go hand in hand. Diversity is essential to the future of Arup, and we have been working hard for a number of years to cultivate a more inclusive working environment. We are approaching the challenge in a co-ordinated and global manner and the agenda is championed from the very top.

Whilst good progress has been made, we still have a long way to go before we can say we truly reflect the world we shape.

Globally

Our Chairman, *Greg Hodkinson* is the Global Diversity and Inclusion Champion.

Regionally

At a regional level, *the UKMEA Board* is committed to ensuring that Arup provides a work environment based on fairness, respect and merit, which embraces difference and enables talented people to flourish.

The Steering Group

As part of the new leadership arrangements, membership of the UKMEA Diversity Steering group has been refreshed. In addition to members from a wide range of teams and disciplines, the group now has representatives from the Middle East and Southern African offices.

Martin Radley
UKMEA Diversity & Inclusion Champion

Vicky Evans,
Diversity & Inclusion Programme Manager

You have a voice in this strategy. We welcome your comments as we move into the implementation phase. You can either email the team at diversity@arup.com or feed your ideas back via your group and office leaders.

Next: Going forward

Going forward
Our strategy 2015-2017

This strategy sets out our vision for the next two years and outlines how we hope to achieve even greater progress. We know that when we can play to our strengths and sense of identity, we get a direct uplift in performance.

"We need more transparency - why was someone recruited or promoted? This lets other people see what skills are required to 'make it' whilst also celebrating the individual concerned"

"Recruitment outreach and engagement with schools is important. If we're (rightly) hiring on merit we can only make a difference by improving diversity in our pool of applicants"

"Awareness of one's unconscious bias for all colleagues (not just grades 7+)"

"Focus on all aspects of inclusion: different backgrounds, sex, sexuality, nationality, religion etc"

"We should definitely communicate the numbers better. For example, would people be surprised to find that the region with the lowest percentage of Grade 9 women is UKMEA?"

"We are generally good, but the spread is sporadic and there are some teams & team leaders that are far behind the progress of others"

"Inclusion (or exclusion) can be subtle. Meeting rooms are named after great Arupians but there are no women or people of different ethnicity. We should have a greater variety of faces!"

"We need to improve the industry stereotype"

Employee Owned

This strategy is based on the voices of our people. In August 2014, we appealed on Opal Brainstorms for your ideas and feedback on what the new strategy should include and focus on. We had numerous responses, some of which are shown here.

The strategy has integrated as many ideas from the Opal Brainstorms as possible.

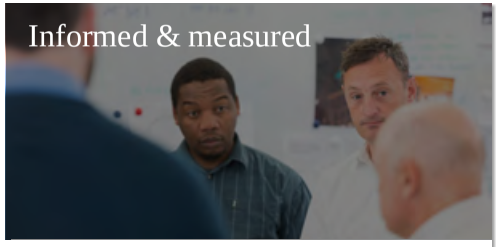
Next: Strategy structure

Structure of the strategy

The strategy is based on seven principles which will shape our activities going forwards and is structured as follows:

- *Key principle* e.g. informed and measured
- *What does this mean?* provides an understanding of what the key principle means in practice
- *Details of previous and on-going activities* to achieve the key principle. This helps us celebrate our successes so far
- *New activities* to support the key principles
- *Measurement* of our progress

Progress will be reported quarterly to the UKMEA Region Board by the Steering Group. The strategy and the progress made will be communicated both internally and externally.



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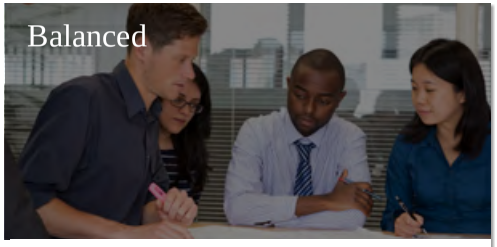

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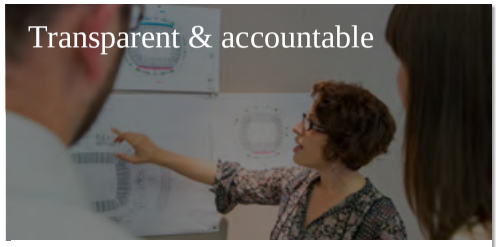

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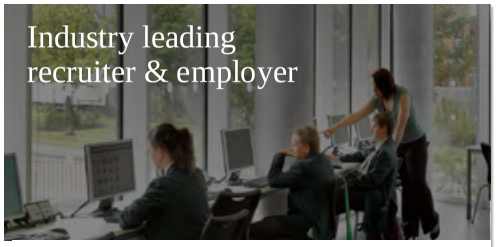

Learn more +

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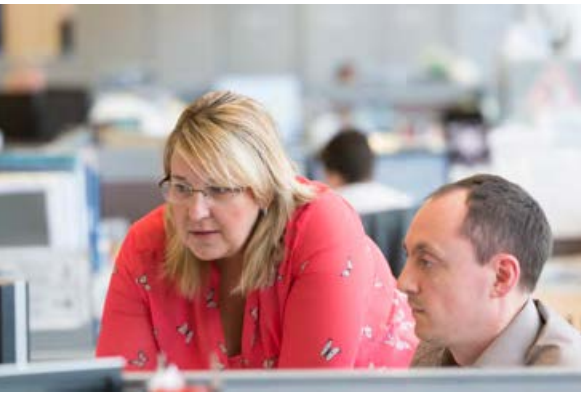
Back: Employee owned

The strategy:
Informed & measured



Close article

What does this mean?

- We will ensure our people are informed about the importance of diversity and inclusion at Arup, empowering people to lead in an inclusive way
- Ensure all of our people are informed about their own unconscious biases
- Collect and measure baseline diversity data to understand the characteristics of our workforce. This will allow us to measure improvement and showcase our successes
- Undertake a benchmarking exercise and adapt an appropriate quality standard to measure our performance and provide an objective view of our progress

Previous and on-going activities

- In May 2009 we created our Inclusive Leadership Programme. The aim was to give leaders the skills and knowledge to recognise that everyone has unconscious bias, and to understand how to manage that bias. Since its inception 450 of our grades 7-9 have attended this training, although attendance is voluntary
- In October 2012 an external consultant, Dr Helen Zarod, reviewed gender diversity and recommended areas for improvement which have since been implemented
- Arup was the first engineering firm to sign up to the Stonewall programme. We have been working closely with Stonewall to improve our Workplace Equality Index results since joining in 2012, and our current rating places us in the top 200 firms

New activities

- Revise the current Inclusive Leadership Programme to ensure it applies current research around unconscious bias and inclusion. It should also make attendance mandatory for all Grades 7-9
- Develop and deliver an unconscious bias awareness e-module, to be available for all staff.
- Undertake voluntary annual ‘Who Works at Arup?’ survey. Collate data on gender, age, ethnicity, sexual orientation, disability, caring responsibilities and flexible working arrangements, in line with the Equality Act 2010
- Meaningfully disclose the data, initially via the group leaders to communicate to their groups, and then publish the data, as appropriate, internally and externally
- Develop a process to track progress and encourage gradual improvement
- Seek out and implement a suitable benchmarking process / external audit. Undertake benchmarking exercise to reflect all ‘equality strands’ rather than just gender, or sexuality e.g. National Equality Standard (or other appropriate quality standard)

Measurement

- New Inclusive Leadership Programme launched
- % of leadership staff who have taken part in Inclusive Leadership learning events
- % of staff who have accessed unconscious bias training
- Report results from the Who works at Arup survey
- Publish data
- Report survey response rate
- Report whether benchmarking has occurred and the results
- Achievement of a level which accurately recognises the progress we are making and where we need to go next

The strategy:
Flexible

Close article

What does this mean?

- We will showcase and celebrate Arup's flexible working policies which enable our people to seek different working arrangements during their careers

Previous and on-going activities

- Successful flexible working stories are showcased on the intranet. These will continue with a spread of grades, cultures and genders represented

New activities

- Include flexible working as part of appraisal discussions
- Monitor uptake of flexible working arrangements

Measurement

- Requirement introduced successfully into the appraisal system
- Publish data

The strategy:
Connected & engaged

Close article

What does this mean?

- We will promote an inclusive and fair culture where people feel respected, engaged, can be themselves and can speak out. This way, we will retain talent
- Provide staff with the opportunity to be connected and engaged with networks and form relationships that support them as individuals in contributing to Arup's success

Previous and on-going activities

- Our three Connect networks (Connect Cultures, Out and Women) celebrate our diversity and promote inclusion through regular events, workshops and speakers

New activities

- We will continue to support all Connect networks to host regular client and internal events focused on relevant and stimulating topics and will encourage more cross-working between 'Connect' Groups. We will boost internal engagement and involvement with 'Connect' Groups and their events through more targeted communication
- Support the launch and operation of Connect Cultures in Southern Africa and Middle East
- Launch a disability group / network (including a focus on Mental Health) (subject to demand)
- Launch a family network
- Review reasons for staff leaving after two years at Arup (data recorded by HR), and publish results on the intranet. Dependent on results, commission specific separate research
- Undertake progress interviews for new staff recruited at Grade 7-9 to ensure they are aware of Arup's inclusion policies
- Investigate the possibility of undertaking exit interviews, six months after exit and feedback to business leaders.

Measurement

- Hold three 'external' events per year per Connect Group and one combined external Connect event
- Report whether Connect Cultures has been established in Southern Africa and the Middle East
- Report whether additional disability group / network and family network has been established and scope required support, awareness raising and training
- Report whether a review of staff leaving has taken place and if data has been made available
- Report whether progress interviews are undertaken

The strategy:
Balanced

Close article

What does this mean?

- We will work toward a balanced allocation of opportunities for all staff. We must 'level the playing field' and target support towards those groups who are currently underrepresented in leadership

Previous and on-going activities

- Connect Out has developed a mentoring scheme which launched in August 2013. This scheme in on-going. A mentoring scheme specifically for women, to provide women at Arup with female mentors was successfully piloted in the Campus office and is about to launch in Scotland and the North East
- Diversity and inclusion is a standing agenda item on UKMEA board meetings
- Diversity and inclusion is a standing agenda item at group reviews
- Policies and guidance relating to the promotion process have been communicated and published on the HR intranet homepage

New activities

- Continue to address barriers which we believe are inhibiting entry and progression in the firm. Review and bolster mentoring programme for all staff, initially targeting those from minority backgrounds
- Continue to challenge promotions on basis of diversity and inclusion
- Increase Board membership to include person(s) from wider inclusive pool
- Provide access to bespoke training materials that support career development at Arup. Work with providers to ensure materials are available and suitable for all staff

Measurement

- Mentoring taking place throughout the firm
- % of female and other minority leaders in a mentoring relationship
- % of female and minority Board members
- % of female and minority staff
- % of female and minority staff in leadership roles (Grades 7-9)
- Corporate membership of three organisations which provide access to bespoke career development training

The strategy:
Transparent & accountable

Close article

What does this mean?

- We will apply **transparent** and merit-based processes to advertise, appoint and promote the best people to new roles
- Leaders will be **accountable** for implementing positive action and involving their teams to ensure a culture that celebrates diversity

Previous and ongoing activities

- All role descriptions are posted on Arup News for internal and external recruitments
- Where certain roles/vacancies are not appropriate for open posting and enrolment, the UKMEA Region Board takes on responsibilities for reviewing diversity issues

New activities

- Sign up to and champion the principles in Think, Act, Report to drive greater transparency on gender and wider diversity employment issues
- Formalise and publish role descriptions and terms of reference for leadership roles at office, region and for practice leadership
- Advertise portfolio role vacancies and accompanying role descriptions on the intranet
- Nomination for UKMEA Board membership to be more transparent
- In line with the UK Corporate Governance Code provisions, disclose meaningful information about the Board appointment process and how we address diversity in the company's Annual Corporate Report, including a description of the search and nominations process [5]
- Each group and business to have an inclusion plan and leaders' performance to be measured against delivery of the plan as part of appraisal

Measurement

- Whether Arup is signed up to Think, Act, Report
- If formalised role descriptions and terms of reference are published on the intranet
- Whether portfolio role vacancies and role descriptions are available on the intranet
- Nomination process for UKMEA Board membership to be reviewed for transparency
- Disclosure of Board appointment process in annual corporate report
- Requirement introduced successfully into the appraisal system
- % of leadership staff with positive diversity and inclusion feedback in their appraisal

[5] In line with Davies Report (2014) Recommendation 5

The strategy:
Industry leading recruiter & employer

Close article

What does this mean?

- We want to attract and recruit the widest range of talent available and positively influence the career choices of the next generation – particularly those who may not traditionally apply to work at Arup
- We want to lead by example by promoting an increased focus and adoption of diversity and inclusion to the wider industry

Previous and ongoing activity

- We have relationships with a number of schools and universities which traditionally feed into our graduate streams. However, to ensure we are fully fishing from the widest pool of talent, a refresh of these schools and universities is required
- Continue engagement with current industry partners such as WISE, Stonewall, Association of Black Engineers, WES, Royal Academy of Engineering, RICS etc to ensure that collaborations continue to advance the diversity and inclusion agenda

New activities

- Promote Arup staff involvement with agencies such as Education and Employers to raise awareness of Arup as a diverse employer and stimulate pipeline. This includes holding lunchtime sessions, signposting to the website and celebration of Arup staff attendance at schools
- As part of graduate recruitment selection, review removing the following information as part of application review:
  - Gender
  - Address
  - Name
  - School

  This will remove any biases which may influence selection process.
- Up-skill HR and interviewers to understand specific needs for recruitment of different equality strands e.g. gender, ethnicity etc

Measurement

- Number of Arup staff attending education and awareness raising at schools
- Whether removing information from CVs prior to selection review has any positive effect
- Tailored diversity awareness training provided to HR to ensure specific recruitment needs understood

The strategy:
No nonsense communication

Close article

What does this mean?

- We want to use effective communication to articulate the importance of diversity and inclusion at Arup, to both staff and clients
- We must provide access to the latest thinking around the diversity and inclusion agenda and debunk myths

Previous and on-going activities

- There is a diversity intranet site with links to relevant policies, strategies and information on the Connect networks
- There is a diversity and inclusion section on the bid support intranet page

New activities

- Refresh diversity intranet pages to ensure they are up-to-date
- Undertake a review of current bid support material available to ensure it meets procurement standards. This will include communicating bid winning/losing information on a regular basis
- Inclusive Attraction and Recruitment – improving our communication to potential recruits
- Similar to Arup Thoughts, release regular 'debunking the myths' papers on the diversity and inclusion intranet page as a way of reporting progress and stimulating discussion e.g. 'Why do people leave Arup?', 'How many women do we have at senior level? Why is there an imbalance?', 'Why are there not more black leaders in Arup?'

Measurement

- Intranet site to be updated regularly (at least every 2 months)
- Review of bid support material to have taken place by July 2015
- Review of internet pages relating to diversity and inclusion
- Report whether papers have been written and uploaded

Contacts and references

The members of the team responsible for delivering the UKMEA region diversity and inclusion strategy plan are shown below.

Diversity Team Contacts

General enquiries:
diversity@arup.com

Diversity and Inclusion Champion:
Martin.Radley@arup.com

Diversity and Inclusion Programme Manager:
Vicky.Evans@arup.com

Region Chair:
Alan.Belfield@arup.com

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Global Conduct and Performance Code of Practice

ARUP

Conduct & Performance : code of practice

Purpose

Arup maintains a Conduct & Performance code of practice to uphold the professional standards expected from all its members. The code of practice provides a framework for guidance to members of the firm whose conduct and/or performance does not fulfil the firm's expectations. It also provides guidance to members who manage such issues.

The aim of the supporting disciplinary procedure is to provide a uniform, fair and responsive means of addressing issues of unsatisfactory conduct and/or performance.

CODE OF PRACTICE
All members of Arup are expected to act in a professional and competent manner in all aspects of their work. In support of this, the firm's role shall, wherever practicable, be to give advice and guidance in accordance with its disciplinary procedure.

Effective date

1 May 2001

Applicability

All employees working for Arup worldwide (but see also section 1 for further details).

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Global Grievance Code of Practice
- UK Grievance Procedure

ARUP

Grievance : code of practice

Purpose

The purpose of a grievance code of practice is to assist the employee in seeking fair, unbiased redress of an employment-related issue. It provides an explicit framework in which employment-related problems can be discussed and addressed. It does not apply to matters related to the outcome of disciplinary action, as there is a separate procedure for this.

CODE OF PRACTICE

Arup believes that all its members should have the opportunity to discuss any matter of concern with the person to whom they report. In most cases employment related matters are likely to be resolved informally in this way. If, however, the outcome of informal discussions is unsatisfactory then the issue can be addressed through the grievance procedure.

Effective date

1 May 2001

Applicability

All employees working for Arup worldwide.

Grievance : UK procedure

The framework outlined below is intended to be fair. It is designed to give you the appropriate opportunity to have your personal employment-related concerns heard within Arup. Your concern ("grievance") will be investigated thoroughly, and taken seriously, and you will be informed of the outcome.

1 Initial contact

You should always be able to talk in the first instance to the person to whom you report if you have a concern about an aspect of your employment with the partnership. If you do not feel it is appropriate, because of the nature of your concern, to talk to the person to whom you report you will have the facility to contact your next level of management, in which case you should contact your representative from the Human Resources Group for guidance. In the case of members of the Human Resources Group, they should contact another nominated leader within the same Division in order to seek guidance on how to proceed. Any discussion you have will be confidential between the people involved unless you specify otherwise.

The matter may be resolved at the time of the discussion, or the person to whom you report may need to check information. In any event, it is intended that you are notified of the outcome of your discussions within 10 working days.

The outcome of the discussion will take into account all the facts and be sensibly and carefully considered. If you are unhappy with the decision reached, you may raise the concern again, formally.

2 Raising a concern formally

You should submit a written summary of your concern to the person to whom you report. A meeting will be arranged within 10 working days, subject to postponement by mutual agreement to discuss the issue and attempt to resolve the matter.

If the matter is not dealt with to your satisfaction then an appeal may be made, in writing, to the next level of management within five working days of receipt of the original decision. Should this person be a Divisional Director, it shall be treated as the final stage of the procedure.

If you remain dissatisfied with the decision on appeal then a further appeal may be made, in writing, within 10 working days to the next level of management. This will be the final stage of the procedure and no further appeal will be possible.

3 Guidelines

At each stage of the formal procedure you may be accompanied by a colleague from within Arup and you should notify the person to whom you report if you intend to do this.

Although this procedure may be used to pursue an allegation of sexual harassment there is a separate procedure designed specifically for this which you may prefer to use.

Every effort will be made to give you a written explanation of the decision about your grievance within 10 working days, subject to postponement by mutual agreement.

4 The Responsibility of the Human Resources Group

The Human Resources Group are available to provide advice and guidance to all members involved in the use of this code of practice. The Leadership is responsible for notifying Human Resources when a formal grievance is raised, and for keeping Human Resources informed, and involved as necessary, throughout the process. A Human Resources representative will attend any meetings addressing an appeal. In the case of appeals from members of the Human Resources Group, any meeting will be attended by a member of the leadership team within the same Division.

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Global Diversity & Inclusion Code of Practice
- UK Equal Opportunities Procedure

ARUP

Diversity and Inclusion: Code of Practice

CODE OF PRACTICE

As a global organisation, we recognise and respect each others' differences and strive to build a working environment where our different values and perspectives are actively harnessed to create the best solutions for our equally diverse client base.

We will work to ensure that everyone feels their contribution is valued and their successes are celebrated through our processes and through our training and development.

The diversity and inclusiveness of our workforce is supported by our ethics on Sustainability and Human Rights.

Our employment and recruitment practices will adhere to, and strive to exceed, local legislation wherever we work in the world.

Arup's principles of Diversity and Inclusion extend to our clients, our suppliers and all those with whom we choose to work.

Purpose

Arup recognises that to produce work of high quality, to maintain our reputation for innovation and creativity and to understand and delight our clients we need to fully embrace the skills, talents and knowledge that only a diverse workforce can deliver.

Effective Date

1 January 2009

Applicability

All employees working for Arup worldwide, our applicants and all those with whom we have contact with through our working lives.

Equal opportunities : local procedure for the UK

1 Introduction

We must all be committed to ensuring that employment practices are applied fairly and equally, unless directed otherwise by law.

The Human Resources Group will monitor our employment policies and practices to ensure that they conform to relevant legislation, remain free from bias and enable us all to take advantage fully of available opportunities. The Human Resources Group will take action to redress any examples of discriminatory employment practices, direct or indirect. Any such examples within Arup should be brought to the attention of the Human Resources Group.

2 Procedures

2.1 Recruitment

Our equal opportunities code of practice applies equally to all recruitment activities, both internally and externally.

Those involved in the recruitment process must be familiar with the code of practice and its proper implementation. Information and training in support of this code of practice are available; each Arup employee is responsible for obtaining these as necessary.

The selection process shall be based on a job description which relates to the particular experience, knowledge and skills that are needed for the safe and effective performance of the job.

In the event of any complaint or criticism being made by any job applicant in relation to the application of the code of practice, the firm's grievance procedure is to be followed.

2.2 Training

Training is available to all members of Arup in accordance with our training code of practice. Any selection criteria applied to training opportunities will take full account of this equal opportunities code of practice.

2.3 Career development and promotion

The selection criteria for promotion and other career development opportunities within Arup will consider the relevant qualifications, experience and requirements that are needed for the safe and effective performance of the job and shall take full account of this equal opportunities code of practice.

2.4 Pay

Your salary and benefits will take account of your experience, knowledge and skills, in accordance with the spirit of this equal opportunities code of practice.

2.5 Selection for redundancy

If job functions become redundant, the selection process shall take full account of this equal opportunities code of practice.

The firm will ensure that any criteria applicable from time to time to the selection for redundancy are not directly or indirectly in conflict with this code of practice.

Those responsible for selecting and informing employees of redundancy must be familiar with the equal opportunities code of practice and its proper implementation. Information and training in support of this code of practice are available; each employee is responsible for obtaining these as necessary.

2.6 Grievance

If you believe you have not been treated equitably in accordance with this code of practice, you should refer to the firm's grievance procedure for details of action that may be taken.

If the grievance issue relates to the behaviour or actions of the person to whom you report or if you are not comfortable talking to the person to whom you report because of the nature of the grievance eg sex discrimination, the matter may be raised instead with an alternative member of Arup. This should be either a member of the Human Resources Group or another member of Arup who is at least as senior as the person to whom you report. In this event, the manager approached should notify the Human Resources Group directly that a grievance has been raised. All grievance matters raised will be treated confidentially.

2.7 Monitoring

Both members of Arup and job applicants are expected to provide certain reasonable personal data in order to ensure that our policies and employment practices are applied equitably throughout the firm. Such information will be collected when you apply when you become a member of the firm, and from time to time, as requested.

Any such information collected will be treated confidentially and will only be used for the purpose of monitoring whether our practices meet the aims stated in this code.

3 Responsibility

3.1 *Every member of Arup* has a responsibility to uphold our equal opportunities code of practice in order to ensure that everyone with whom we work is treated equally and honourably.

3.2 *Leaders* have a particular responsibility to ensure that grievances are investigated, that confidentiality is maintained and that appropriate action is taken.

3.3 *The Human Resources Group* has a particular responsibility to ensure that the firm's employment practices do not discriminate, directly or indirectly, against its members and job applicants. It will do this by monitoring procedures and providing a framework, which facilitates access to opportunities. The Human Resources Group will also support the grievance procedure.

3.4 *The firm* takes this commitment very seriously. Any acts of discrimination by its members will result in disciplinary action, including termination of employment if appropriate, in accordance with the firm's disciplinary procedure.

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Sustainability Policy Statement

ARUP

Sustainability Policy

Mission

To shape a better world.

Objectives

The firm will implement practices that promote economic security, social betterment and environmental stewardship and will strive for continuous improvement of performance in these areas.

To deliver this, the firm aims to:

- Set a sustainability strategy for the firm
- Be a leader in sustainable development in areas relevant to its business
- Work with its clients to pursue, promote and develop sustainable business outcomes
- Promote sustainable practices
- Use its skills and influence to improve the built environment and to maintain the integrity and quality of the natural and cultural environments
- Hold its performance accountable to its staff through objective measurements
- Report on its sustainability performance and achievements
- Operate within a management system that is registered as meeting the requirements of ISO 14001.

Outcomes

In meeting these objectives, the firm will:

For its core business

- Comply with legal and other requirements that relate to its environmental aspects
- Provide value to clients by building upon its reputation for integrated design and a holistic approach to projects
- Deliver projects recognised for their sustainability credentials, in line with client expectations
- Evaluate projects with respect to their sustainability risks and opportunities and, where appropriate, work with the client to deliver a more sustainable outcome
- Achieve performance that ensures the firm's economic, environmental and financial viability.

ARUP

For its people

- Employ and retain staff who have a high degree of awareness and expertise in sustainability for all disciplines practised
- Provide ongoing education and training for all staff on sustainability issues relevant to the firm's business
- Support innovative approaches to the implementation of sustainability strategies on projects.

For its facilities

- Endeavour to prevent pollution
- Aim to use resources efficiently and to minimise waste, usage of water, energy and other consumables
- Implement a strategy to move towards minimising carbon emissions in its operations
- Implement a strategy for the firm to move towards sustainable procurement of the goods and services used in its operations.

For its external relationships

- Engage with organisations that practise sustainability and that enable the exchange of ideas and the promotion of sustainability leadership across its businesses
- Implement a strategy to work on community projects that achieve sustainability goals.

.....

Mahadev Raman
Arup Group Sustainability Director

.....

Leader for U.K., MIDDLE EAST & AFRICA Region

www.arup.com

ARUP

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Sustainable Procurement Vision Statement

ARUP

ARUP

SUSTAINABLE PROCUREMENT VISION STATEMENT

Our vision for Sustainable Procurement is as follows:

Arup will improve the environmental, social and ethical performance of its own business by addressing these areas in the procurement of its goods and services. We will use our influence, wherever possible, to improve procurement performance throughout the supply chain.

We will only consume the goods and services that we require and avoid over consumption. We will also use them more wisely and consider their end of life to improve their performance over their lifetime. Those goods and services that we must procure will, overall, have higher environmental, social and ethical supply chain standards.

Arup's approach to sustainable procurement is built on the following:

- Environmental Management
- Supplier Equality and Diversity
- Support of Fair Practices in our Supply Base
- Ethical Trading
- Promoting Fair Employment Practices
- Community Benefits

We will work internally to promote behaviours that reduce over consumption and promote the wise use of goods and services. We will work closely with many of our first tier suppliers to effect improvement, but recognise that some of the greatest impacts will arise further along our supply chain. We will therefore seek to influence the performance of our supply chain by encouraging our suppliers to adopt sustainable behaviour.

Employees and suppliers are encouraged to suggest innovative approaches to promoting environmental, social and ethical aspects of sustainability within the total process, in procuring the goods, writing and responding to tenders, and throughout the life of contracts and the goods and services procured.

This vision will be communicated to our employees as well as current and prospective suppliers.

Dick Lee
Chair of Facilities Executive
July 2009

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United Nations Global Compact:
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Attachment:

- Regional Sustainability Plan

ARUP

UKMEA

REGION SUSTAINABILITY PLAN

2014-15

Contents

2 A note from the Region Board

3 Our Plan at a glance

5 Our Business

7 Our People

9 Our Facilities

11 Our External Relationships

13 Further information

The UKMEA Region's mission is:
To shape a better world.

Arup designs with a social purpose. We shape a sustainable, inspiring environment that promotes well-being through being safer, healthier and having greater amenity for its inhabitants.

The UKMEA Region's vision is:
Our independence and purpose drive us to bravely push boundaries, to create better solutions for our clients, to vigorously break down barriers to collaboration. Integrating our abilities we respond imaginatively to the changing needs of the world.

The values of sustainability are at the heart of Arup; they are not only part of our mission and vision but part of everything we do on a day-by-day basis.

Arup's people are passionate about this agenda. They have extraordinary ideas and demonstrate a deeply embedded culture of sharing. They rightly have high expectations, coupled with energy and commitment. To stay ahead, we need to integrate and optimise our abilities, thereby meeting the aspirations of our staff, and leading our clients to bold solutions by showing what is possible.

In 2014/15 we are embedding our internal programme entitled "Resilience and Legacy" through which we hope staff will become even more engaged with the sustainability agenda. The programme builds on the work of a team of activists and includes internal talks and workshops, including "show and tell" sessions.

This Region Sustainability Plan ["the Plan"] responds to the Arup Group Sustainability Strategy. It reflects increasingly active engagement by the UKMEA Board with the sustainability agenda. The aim is to stimulate renewed activity and confidence at a time when the countries, clients and communities in which we operate need our skills more than ever. Ultimately we must embed sustainability into everything we do and this plan is a key part.

We welcome your views on this plan and where and how we can do better.

Alan Belfield
UKMEA Region Chair

Ian Rogers
UKMEA Sustainability Director

Our Plan at a glance

Governance

We are all responsible for achieving our mission and vision.

The UKMEA Board is accountable for our Plan and is updated on implementation bi-monthly by Ian Rogers. The Board also looks critically to ensure global initiatives [indicated by '~'] are delivered in the Region.

April 2014 to March 2015

This Plan is for one year and will be updated in April 2015.

Four aspects

The Plan is presented in four parts that represent the scope of our operations:

- Business
- People
- Facilities
- External Relationships

Deciding what is included

Many issues inform how and where we can shape a better world.

There are many initiatives already in place across the Region. These related initiatives are referenced throughout.

This Plan complements existing initiatives and responds to the Region commitments noted in the Arup Group Sustainability Strategy, the views of staff and our priorities for the year.

Global Sustainability Policy & Sustainability Strategy

Region Sustainability Plan

Region Strategy

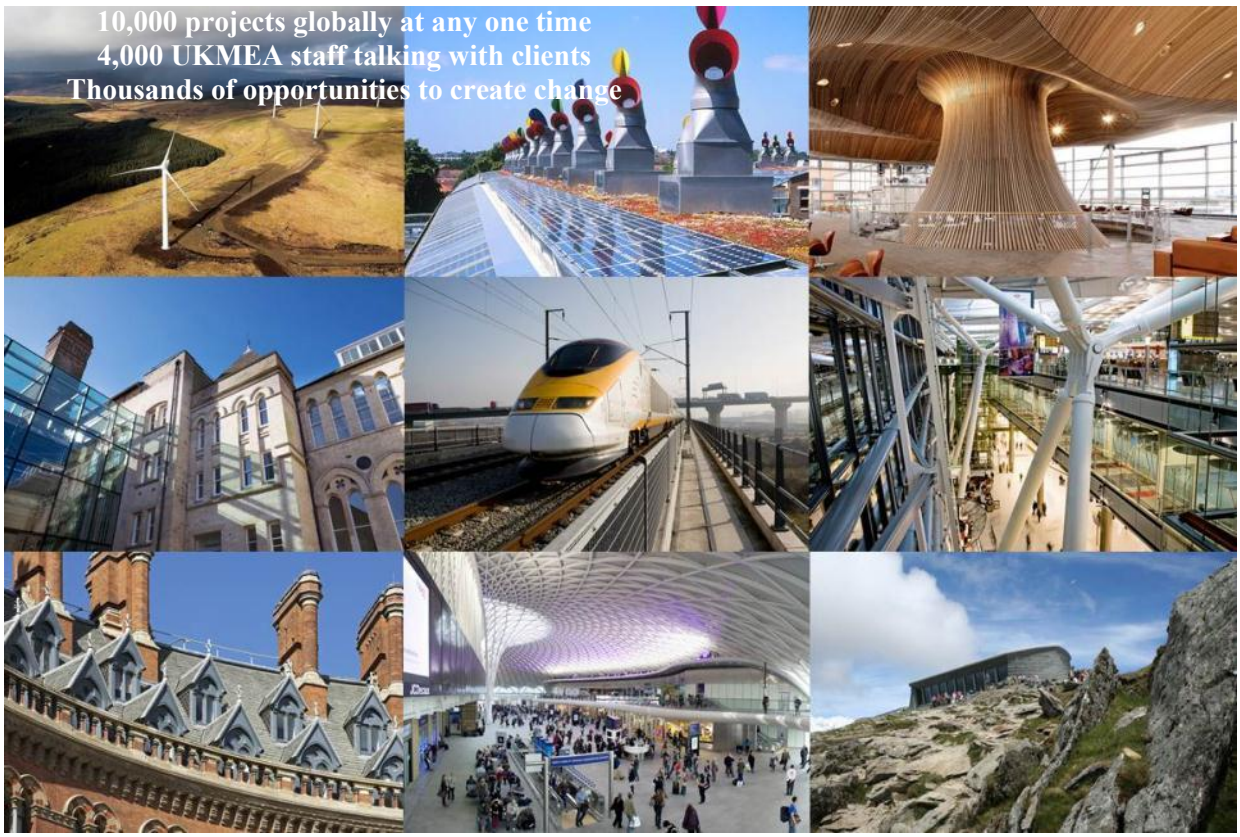
Summary Objectives & Targets, Management Actions & KPIs		
~ indicates Region activity required in the Group Sustainability Strategy		
Our Business Pages 5-6		
~ Ensure client-facing staff have sustainability skills and knowledge	Resilience & Legacy Programme of at least 30 events	KPIs • Recruits reporting strong link between Arup and sustainability • Reputation Institute Survey • Working at Arup Survey
~ Capture and communicate sustainability benefits of Arup projects	Research possible approaches to measure the sustainability impact of our projects and share with the business	
Understand our key client's views on sustainability	Research our top 10 clients' drivers and priorities in sustainability and communicate findings to the business	
Monitor use of Sensitive Project Guidelines	Implement Sensitive Projects Guidelines through AMS	
Our People Pages 7-8		
~ Provide staff sustainability awareness briefings in induction and regular information on best practice ~ 2 hours sustainability training per employee per year	Continue to implement training programmes including: • New starters induction • Designing Sustainable Buildings e-learning programme • Infrastructure and Buildings Leaders Sustainability Workshop	KPIs • Sustainability training hours
Our Facilities Pages 9-10		
~ Reduce consumption of environmental resources and implement Carbon Management and Reduction Plan ~ Reduce carbon emissions to 3tCO_2e per employee or less ~ Reduce total paper consumption by 15%	Implement Building Improvement Programme Communicate performance regularly to staff Update Sustainable Procurement Plan	KPIs • Staff in offices with management system to ISO 14001 • GHG emissions • Paper consumption • Energy consumption • Waste generation • Waste recycled • Water use
~ Implement and maintain ISO14001 ~ 99% region ISO14001 certified & legal compliance monitored	On-going AMS implementation	
100% of resource data reported	Monitor via Credit 360	
Our External Relationships Pages 11-12		
Deliver equivalent of 1.5hrs per head of staff on pro-bono engagement (paid staff time)	Review programme, partnerships and further opportunities	KPIs • Staff participation in community engagement • Hours per head of staff on pro-bono and voluntary engagement
Increase staff community engagement participation levels to 12%	Communicate opportunities to staff	
Understand the outcomes of our donations of cash and time	Implement arrangements to capture the outcomes of our community engagement programme	
Review our external partnerships around sustainability leadership	Review and consider opportunities for greater synergy and leverage of impact across the Region	

OUR BUSINESS

By harnessing and integrating our broad service base and by communicating in the client's language, we aim to become the consultant of choice for forward-thinking clients.

To do this we must ensure we have insightful understanding and knowledge to communicate with clients. Our project leaders must engage with clients to understand their drivers.

Staff across all grades need to feel empowered to make a difference on their projects – from identifying opportunities and risks for a client, to understanding Arup's services and applying lessons learnt.



Context
Our investment activities seek to understand what our clients need today and in the future, and prepare us to address them. The Arup Management System encourages us to place customer satisfaction, quality, environmental improvement and attention to health and safety at the heart of our projects. But how comfortable are we that we understand the opportunities and the services we can offer, and have the appropriate language to talk to clients about them?

Opportunities
If we embrace the sustainability agenda we will be prepared for the challenges of the 21st Century, giving priority in our business to the external drivers which our clients will experience. We have the opportunity to position ourselves as the consultant of choice for forward-thinking clients.

Risks
We must not allow a short term financial focus to crowd out longer term decision making. There may be a temptation to assume that we are doing enough already. We should learn to recognise potentially sensitive projects and take related decisions in a manner which is transparent and has due regard to longer term reputational implications.

Priorities
Our first priority for the year is to raise staff comfort levels to talk and deliver around project sustainability. Our second priority is to enhance staff awareness around sustainability at project bid stage. We should consider if our projects and clients resonate with our values and interests; do they have sensitivities that pose reputational risks? Finally we wish to better capture how we shape a better world, by understanding the sustainability outcomes of our involvement with clients on projects.

Our Business priorities & action plan ~ indicates Region activity required in the Group Sustainability Strategy

OBJECTIVES & TARGETS	MANAGEMENT ACTIONS	LEAD

~ Ensure that client-facing staff have necessary skills and knowledge to engage clients on sustainability in early project stages	• Continue to implement the Resilience and Legacy programme to provide at least 30 sustainability events to staff across the Region to raise broad, contextual awareness and share project knowledge including:
	  • Travelling with Vision external speaker talks
	  • Show & Tell project events in each Sub-Region
	  • Internal talks in each Sub-Region
	• Capture and communicate the presentations and discussions, and attendance levels where practical
		UKMEA Sustainability Director

~ Capture and communicate the sustainability benefits that are delivered by Arup through our projects	• Research possible approaches to quantitatively measure the sustainability impact of our projects	UKMEA Sustainability Director
Understand our key clients' views on sustainability	• Research our top 10 clients' drivers and priorities in sustainability • Share findings across the business, particularly to Region Account Managers	UKMEA Sustainability Director
Monitor use on all relevant projects of the Sensitive Project Guidelines during the Decision to Proceed and Bid Review process	• Sensitive Projects Guidelines implemented through AMS and Bid Support	Chief Operating Officer

Key Performance Indicators

- Recruits reporting a strong link between the Arup brand and sustainability (%)
- Reputation Institute UK Survey (position)[1]
- Working at Arup Survey (% respondents agreeing/strongly agreeing with statements)
  - Arup is committed to putting sustainability at the heart of its projects
  - I understand my responsibilities with regards to sustainability with clients and generally in the workplace
  - I have access to the necessary skills and knowledge to apply sustainability to my everyday work

Other indicators collated centrally by the Region for Global reporting

- ~ Profit (% turnover)
- ~ Investment in research, development, training and innovation
- ~ Cash at bank (weeks of costs, before profit share)
- ~ Repeat clients

Related initiatives

Strategy

Region Strategy covering investment in sustainability related services including energy strategy, renewables, building retrofit, water business

Management system

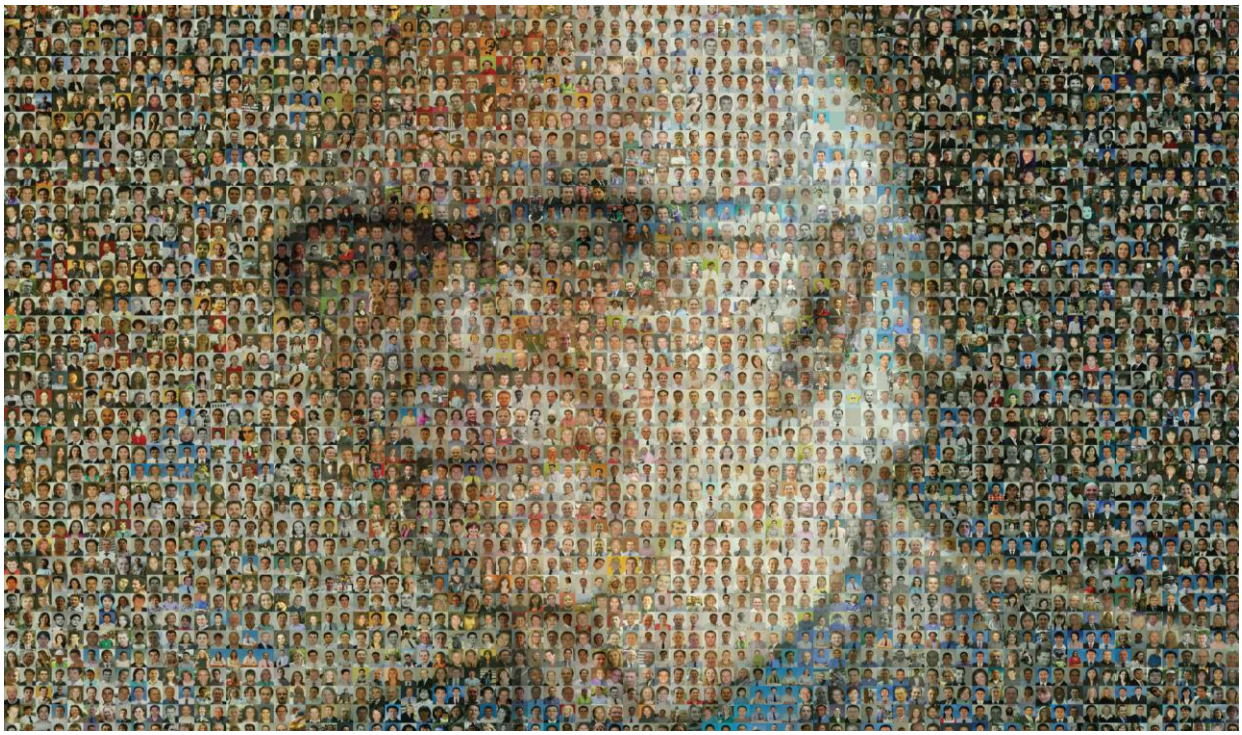
Arup Management System covers management of environmental impacts, health & safety and quality
Sensitive Projects Policy and Guidelines for discussion at new project bid stage
Sustainable Event Guidelines to help organise a well-managed and sustainable event
Sustainability & Environmental Management FAQs

[1] http://www.reputationinstitute.com/

OUR PEOPLE

We aim to give our staff the skills they need to engage with clients, and inspire them to embrace the sustainability agenda by building on their curiosity, enthusiasm and sense of purpose.

Training in the broad issues around sustainability, coupled with leadership development, is vital. Once we understand our clients' needs, we then need the skills to engage further and connect our specialists to clients in a way which delivers value.



Context
There is enormous staff interest in the sustainability agenda and significant informal activity across the seven sub-regions in which we operate. Our staff need to recognise where personal development would better equip them to respond to the agenda and understand the opportunities to do so.

Opportunities
By improving the skills of our staff we can generate renewed levels of enthusiasm and activity. This should positively impact morale through a greater sense that we are living the firm's values.

Risks
Sustainability requirements feature across many job positions and projects, reflecting the maturity of the topic and creating opportunities for all. At the same time the commercial constraints are tougher than ever. We must continue to provide market-appropriate opportunities to retain and develop our staff.

Priorities
This year we will work across the Region to create a greater understanding and awareness by communicating what sustainability means to UKMEA and how we apply this to what we do. We will focus on training staff, particularly project and client facing staff on sustainability issues related to their profession.

Our People priorities & action plan ~ indicates Region activity required in the Group Sustainability Strategy

OBJECTIVES & TARGETS	MANAGEMENT ACTIONS	LEAD
~ Include sustainability awareness briefings in staff induction programmes and inform staff about sustainability initiatives and best practice regularly ~ 2 hours sustainability training per employee[2] per year	• Continue to implement training programmes including: o New starter induction o Designing Sustainable Buildings e-learning programme o Infrastructure and Buildings Leaders Sustainability Workshop	UKMEA Sustainability Director / Operating Group Leaders

Key Performance Indicators

- ~ Sustainability training (hours/employee/year)

Other indicators collated centrally by the Region for Global reporting

- ~ Women in management positions[3] (%)
- ~ Managerial staff completing Diversity and Inclusivity training (%)

Related initiatives

Development and Training

~ Global Sustainability action: Develop pathway(s) for sustainability training, outlining relevant training for each discipline and grade, from 'awareness' to 'advanced'
Sustainability Awareness Film provides a foundation platform for sustainability awareness
Designing Sustainable Buildings e-learning modules
Sustainability Skills Network Embedding Sustainability
SusNet Sustainability Skills Network
Early Career Group facilitates dialogue between the UKMEA Board and early career staff

Diversity

~ Global Sustainability Target: At least 18% of management positions (grades7-9) occupied by women. UKMEA target: 20%
~ Global Sustainability Target: 40% of managerial staff completed diversity and inclusion training
Diversity Strategy is split into four focus areas: leadership, people, organisation and external relationships
Inclusive Leadership Programme developed for Arup leaders in collaboration with consultants Pearn Kandola
Connect Women set up by the UKMEA Diversity Steering Group to encourage and improve opportunities for women in Arup
Connect Out (LGBT) is managed by a committee of volunteers who represent different areas of the firm and meet regularly to plan activities and initiatives
Connect Cultures is the cultural, religious, and ethnic diversity strand in the Arup UK-MEA's family of diversity networks

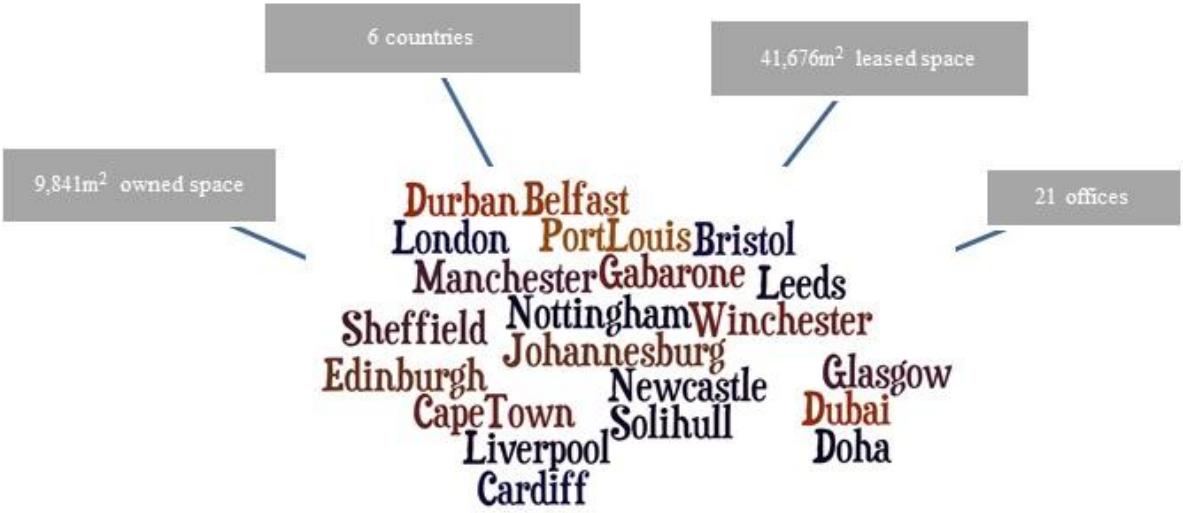
[2] Sustainability Training includes internal and external training lasting at least 30 minutes and recorded e.g. in TAPS
[3] Grades 7-9

OUR FACILITIES

We need to be confident that we operate from buildings we can feel proud of, honest enough to admit where there are shortcomings in our facilities and committed to addressing these. For Arup, "walking the talk" is a matter of credibility.

To do this we must ensure we understand the sustainability impact of our office space, the potential opportunities to reduce this impact, and the extent of our ability to deliver improvements.

In many instances our space is leased and the scope for us to control changes is more limited; this should not result in inertia however. we must seek to prioritise improvement interventions based on the potential scale of outcome, ease of implementation, and commercial considerations.



Context
Our facilities encompass not just the offices we inhabit and from which we do our business, but the goods and services we procure to support our business activities. Staff and clients are curious and challenging about how our own space performs; are we applying our skills to our own offices and able to demonstrate the value of our interventions?

Opportunities
Our ability to talk knowledgeably and candidly about the sustainability performance of our offices and our improvement plans is increasingly important to our clients. Sharing this information with staff and visitors raises awareness of our skills and services; our office space is our shop window.

Risks
Our space needs are fluid and our space leasing and ownership status is complex; managing our sustainability impact in this context is a challenge, common to our peers and our clients. How we rise to this challenge and share our journey has reputational implications.

Priorities
Managing office energy use and business travel carbon emissions will be our focus this year.

Our Facilities priorities & action plan ~ indicates Region activity required in the Group Sustainability Strategy

OBJECTIVES & TARGETS	MANAGEMENT ACTIONS	LEAD
~ Reduce consumption of environmental resources (including energy, water and paper) by a. Encouraging resource-efficient behaviour by those who occupier our offices b. Optimising our systems and building services for enhanced, efficient performance ~ Implement a Carbon Management and Reduction Plan, including specific measures for priority areas such as energy use and business travel ~ Achieve carbon reductions to 3tCO_2e per employee or less ~ Reduce total paper consumption by 15%[4]	• Implement an Arup Building Improvement Initiative focussed initially on buildings where the majority of the Region's resources are used: o In the UK at no8, no13 and Campus; identify energy conservation measures, investment and payback information, and plan delivery of agreed measures o Encourage other offices to review performance and identify, implement and share improvements • Across the Region, communicate performance results to inform behaviour change o Share reported resource data with staff quarterly o Trial Cylon meter and green screen initiative in energy intensive offices with a view to rolling out across the Region	UKMEA Facilities Management
	• Refresh the UK Sustainable Procurement Plan to ensure it is fit for purpose, objectives are clear and priorities current. The social impacts of procurement will be a particular focus of the review. • As part of the above review, consider the opportunities to include MEA in this Plan, share MEA experiences to inform the UK Plan and review the value of a specific plan for the Middle East and for Africa.	COO, UK Regional Purchasing, Southern African Sustainability Taskforce, ME representative
~ Implement and maintain ISO 14001 certificated EMS for all permanent Arup offices, and measure compliance with legislation and other requirements in all regions ~ 99% staff in offices with EMS to ISO14001	• Delivered via Arup Management System • Review status of Region offices that are not yet certified and monitor status with AMS leads.	Arup Management System
100% of resource use data reported for the year	• Report to Region Board quarterly • Report to sub-regions monthly	UKMEA Facilities Management

Key Performance Indicators

- ~ Staff in offices with management system to ISO 14001 (%)
- ~ GHG emissions: building energy use, refrigerant loss and business travel (tCO_2e/employee/yr)
- ~ Paper consumption (kg/employee/yr)
- ~ Energy consumption (kWh/m^2/yr)
- Waste generated (kg per employee)
- Waste recycled (%)
- Annual water use (m^3/FTE/year, m^3/m^2/year)

Other indicators collated centrally by the Region for Global reporting

- ~ Lost time accidents per 100,000 employees (hours)

Related initiatives

Arup Management System covers management of environmental impacts, health & safety and quality
Office Travel Plans providing generic staff survey, templates and completed Plans
Sustainable Procurement for embedding sustainability in purchasing goods and services
Office Management Guidelines on what Arup is doing and what you can do in our offices
Ovagreen network of volunteers coordinating environmental initiatives in our offices

[4] compared with 2011-12 total paper use

OUR EXTERNAL RELATIONSHIPS

Sharing our knowledge and skills with the communities in which we work, and learning with our partners offers opportunities to our people and organisation, supporting skills development and improved quality of life.

Having social purpose is a key value; to be an "organisation which is human and friendly[5]" is as important to staff now as it was to the company's founder.

Relationships with partners recognised as sustainability leaders are important to help us collectively shape a better world; they encourage us and our industry to improve and share knowledge.

We must be proud to talk about the impact of our work to reinforce the culture of community engagement and build further interaction.

Medical waste incinerator, Kumi District Hospital Uganda

Context
We connect with communities geographically close to us, on initiatives of particular relevance to us and our skills. Our community engagement work is wide and varied, albeit with a focus through a select number of longer-term Strategic Partners; we engage by giving cash and pro-bono time, both corporately and individually.

Opportunities
Our community engagement focuses where we can leverage optimum outcomes for our partners, where our skills can be developed and our staff experience value from the positive contribution they have made.

Our work with leaders in sustainability adds value to our knowledge base and moves forward efforts to shape a better world through discussion and innovation.

Risks
Are we aware of opportunities to collaborate with clients? They may be working with similar partners to us and with our peers.

We must be inclusive; maximising our efforts in this area by involving as many individuals as possible. Staff across the region must have opportunity to participate wholeheartedly so we can increase our impact.

Priorities
Our efforts must be focussed and the outcomes of our input clear. Our priorities will first be to understand the impact of our community engagement time and donations, and secondly encourage and enable participation from our staff.

[5] The Key Speech – Sir Ove Arup 1970

Our External Relationships priorities & action plan

~ indicates Region activity required in the Group Sustainability Strategy

OBJECTIVES & TARGETS	MANAGEMENT ACTIONS	LEAD
Deliver equivalent of 1.5hrs per head of staff on pro-bono engagement (paid staff time)	• Review pro-bono engagement to confirm it aligns with our professional skills and expertise • Identify further opportunities to utilise our professional skills and expertise to support 3rd parties in activities that align with our core values • Review strategic partnerships once during the year • Encourage increased recording of paid and unpaid staff time spent on community engagement activities within the finance systems	UKMEA Community Engagement Committee [CEC]
Increase staff participation levels in community engagement activities up to 12% of staff	• Review current participation levels across the Region • Implement communication programme to staff to clarify the programme, its objectives and the available opportunities	UKMEA CEC
Understand the outcomes of our donations of cash and time	• Identify appropriate categories of 'recipient' and outcomes from our community engagement work • Implement arrangements to capture information on the numbers and types of outcomes, focussing on significant initiatives	UKMEA CEC
Review and encourage the use of external partnerships around sustainability leadership	• Establish current partnerships across the Region; the range of organisations, the commitments required of us and the outcomes sought • Consider opportunities for greater synergy in effort across the Region and opportunities to leverage greater impact	UKMEA Sustainability Director

Key Performance Indicators

- % Staff participation in community engagement activities
- Hours per head of staff on pro-bono-engagement (paid staff time)
- Hours per head of staff on voluntary engagement (unpaid staff time)

Other indicators collated centrally by the Region for Global reporting

- ~ Charitable donations (£ to the nearest £000)
- ~ Equivalent financial value of pro-bono engagement (£ to the nearest £000)

Related initiatives

~ Global Sustainability Target: Charitable donations of 1% of management accounts profit
Community Engagement Skills Network - forum and knowledge point for all community engagement activities.
Community Engagement Framework sets out guidance to direct our energies and donations to maximise long-term impacts
Workplace Giving Scheme to support good a causes in a tax efficient way

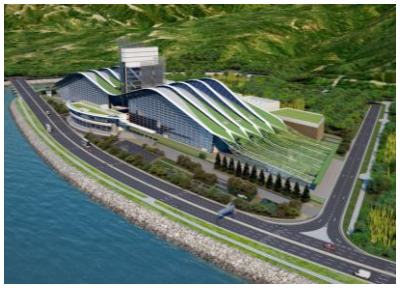
Key Contacts

UKMEA Sustainability Director	Ian Rogers
UKMEA Sustainability Representative, Global Sustainability Team	Jonathan Ben-Ami
UKMEA Sustainability Manager	Laura Ashley
Our Business	**Operating Group Leaders:** **Buildings UK Sub Regions** Justin Evans **Buildings London** Nigel Tonks **Infrastructure UK** Peter Chamley **Consulting UK** Jerome Frost **Middle East** Tony Lovell **Southern Africa** Damane Hlalele **International Development** Jo Da Silva
Our People	**Head of Human Resources** Di Thornhill
Our Facilities	**COO** Alain Marcetteau **Property Management** John Turzynski **Facilities Management** Debbie Rogers and Office Managers
Our External Relationships	**Community Engagement Manager** Alison Ball

Feedback

We welcome your views on this plan and where and how we can do better in implementing this plan. Please email Ian Rogers: ian.rogers@arup.com.

We shape a better world



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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Businesses Back Low Carbon Britain - Letter to 10 Downing Street (printed in the Financial Times)

ARUP

Advertisement

BUSINESS BACKS LOW-CARBON BRITAIN

Dear Prime Minister,

Welcome back to Downing Street.

We are some of the businesses that will help to create the UK's future economy.

We want this economy to be energy efficient and low carbon.

Failure to tackle climate change could put economic prosperity at risk. But the right action now would create jobs and boost competitiveness.

We encourage your government to:

- *Seek a strong global climate deal in Paris in December which limits temperature rises to below 2°C*
- *Set an ambitious 5th carbon budget to drive further reductions in UK emissions*
- *Establish a long-term framework for investment in the low-carbon economy*

We look forward to continuing to work with your government to deliver a cleaner, greener and more prosperous Britain.

Yours sincerely,

BT · Unilever · nationalgrid · AVIVA · Mitsubishi Electric · sky · sse · British Land

M&S · Mars · DONG energy · Saint-Gobain · Diageo · IKEA · e·on · Kingfisher

Triodos Bank · ecotricity · ARUP · sodexo · Knauf Insulation · Thames Water · John Lewis Partnership

Good Energy · Infinergy · first:utility · abundance · Innocent · Tesco · Kinnarps · Rockwool

Trillion Fund · ukpowerreserve · instaGroup · Aquamarine Power · Willmott Dixon · mark group · Cisco

Daikin · Coca-Cola Great Britain · Worcester Bosch Group · alpro · KiWiPOWER · Cerex Cyber · viridian solar

Keepmoat · res · AkzoNobel · REG Windpower · Baxi · Ben & Jerry's · infinis

Johnson Matthey · Vattenfall · Bouygues UK · Mainstream Renewable Power · ecuity · Hammerson · Interface

Coca-Cola Enterprises · Kensa Group · Johnson & Starley · RELX Group · Solstice Renewables · WSP Parsons Brinckerhoff · Burohappold Engineering

DELTA · UK Green Building Council · 2020 Scotland's Climate Group · Sustainable Energy Association · Aldersgate Group · scottish renewables · Solar Trade Association

ADBA · ade · heama · National Insulation Association · REA · Association for the Conservation of Energy · renewableUK

Co-ordinated by WWF-UK in collaboration with the above businesses.

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United Nations Global Compact:
Communication on Progress 2015

Attachment:

- Ethical Standards Policy
- Ethics Global Code of Practice / Procedure
- Ethical Decision Process

ARUP

Ethical Standards Policy

Mission

To shape a better world.

Objectives

To deliver this, the firm will:

- Commit to acting honourably and with integrity in all its business dealings
- Ensure that no financial or other inducements to gain or retain work are offered or accepted by or on behalf of Arup
- Recognise the duty of confidentiality in all our client relationships and give it the highest importance
- Identify and address appropriately any potential conflicts of interest
- Endeavour to raise the ethical standards of global business in the market in which we operate
- Provide such training, advice, information as may be necessary to personnel at all levels
- Integrate ethical considerations into our design and business decisions
- Provide pro bono services where appropriate and engage with the wider community.

Outcomes

In meeting these objectives, the firm will:

- Comply with all legal and other applicable requirements of the countries in which we work
- Justify the trust of our clients by giving their interests first priority in the work we do for them
- Take steps to see that all personnel are aware of, and follow the Ethics Code of Practice
- Appoint a Group Board Director with responsibility for ethical business Practices
- Where appropriate undertake due diligence of our clients, joint venture partners, agents and other advisors
- Participate in appropriate industry forums to promote industry best practice
- Achieve a performance which will sustain the long-term success of the business and enhance our reputation in the market.

Dervilla Mitchell

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Dervilla Mitchell
Arup Group Ethics Director

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ARUP

Ethics: global procedure

1 Introduction

The ethical values of integrity, openness and fairness apply to all the activities of a company. It is important not only to have standards, but also to demonstrate to clients, and under possible media scrutiny, that such standards are being met; there is considerable reputational risk associated with ethical failures at a time when anti-corruption issues are high on the media and wider business agenda. The construction sector has been identified as one of the most vulnerable, and global companies that are exposed to diverse local business practices are particularly at risk.

The Board accepts responsibility to see that the values, principles and standards of business conduct underpinning how Arup operates are established and applied globally and in accordance with the Ethical Standards Policy has nominated a member of the Arup Group Board to be responsible for ethical business practices.

This code of practice is intended to provide guidance on acceptable business practice to ensure that these values, principles and standards, are being met. Our behaviour will be judged against these standards.

2 Financial inducements:

- ≠ Arup will not, in any circumstances make or offer to make a payment or transfer anything of value for the purposes of improperly obtaining or retaining business or any other improper business advantage.
- ≠ Arup does not permit ‘facilitation’ payments (payments made to expedite or guarantee government services that we are legally entitled to e.g. connection of water, customs clearances) as these are prohibited in most countries. The only circumstances in which a facilitating payment should be authorised is where there is a real risk to your health and/or safety, or that of a third party, if such a payment is not made. In such event the payment should be reported so that actions can be taken as appropriate.

3 Using third parties (including agents) or working in a Joint Venture:

- ≠ Arup commits to undertaking appropriate due diligence on all agents and joint venture partners, and where appropriate, sub consultants that we work with.
- ≠ If we are required to use agents or representatives in particular countries they must have a clearly defined scope of service and agree to abide by the applicable laws and the terms of this policy as we may be liable for any financial inducements that our agent makes, or offers to make.
- ≠ Any agency or joint venture agreements that we enter into should require the partners to comply with all applicable anti-bribery laws and to comply with this policy.
- ≠ Arup should reserve the right under any such agency or joint venture agreements to terminate the arrangements if there is a breach of any applicable laws or of this policy.

4 Gifts & Entertainment:

- ≠ You should exercise discretion in accepting or offering gifts or hospitality and in determining whether it is appropriate you should ensure you are aware of the circumstances and implications of the offer.
- ≠ Gifts and entertainment may be perceived as a financial inducement and should never be offered or accepted where the purpose is to gain an improper business advantage.
- ≠ Wherever possible, gifts from clients should be shared within the group that has been involved in the project.
- ≠ The following should be considered when determining if it is appropriate to accept or offer a gift or entertainment:
    - ≠ Any gifts or entertainment should be of a modest value, occur occasionally and be appropriate in all the circumstances. If you would feel embarrassed that colleagues or anyone outside of Arup knew about the gift, it is likely to be inappropriate.
    - ≠ The purpose of the hospitality must have a legitimate business purpose. It is not acceptable to accept hospitality if our business contact will not be present, and vice versa.
    - ≠ It is important to consider if the recipient is allowed to accept gifts, government officials and public bodies may be unable to do so.
    - ≠ As a general rule, we should only offer as gifts and entertainment what we would be comfortable to accept; and vice versa
    - ≠ There are some gifts and entertainment which cannot be accepted without prior approval from your Group Leader; these include, but are not limited to money; hospitality that lasts more than one day and that involves meals and/or travel being paid for.

5 Competition:

- ≠ Competition, however fierce, should always be undertaken honestly and fairly.
- ≠ You must not use improper means to obtain information about our competitors.

6 Confidentiality:

- ≠ Information that is not in the public domain or that may be regarded as confidential in relation to Arup’s business or concerning any other organisation with which you, in the course of your work have had business dealings, must be kept confidential.
- ≠ You are reminded that there are laws in many countries that prohibit the use of confidential or unpublished information for insider trading on the stock market

7 Conduct & performance at work:

- ≠ You are expected to apply due skill, care and diligence in the services that you provide for clients. You should, at all times, work to the best of your ability.

- ≠ It is your personal responsibility to acquaint yourself with the legal standards and restrictions that are applicable to the location in which you are working any to comply with these in all respects.
- ≠ Many of the professional bodies of which staff are members have ethical standards or Codes of Ethics that we individually, and corporately, must adhere to.
- ≠ If you are responsible for supervising others in Arup you should:
    - ≠ Promote ethical behaviour and compliance with the policy
    - ≠ Monitor compliance with the policy and enforce it as is necessary
    - ≠ Support employees who ask questions or raise concerns in good faith

8 Client Activities:

- ≠ If you are reasonably concerned abut the ethical aspects of a particular project, you will be allowed to decline involvement following appropriate consultation and agreement with your Group Leader
- ≠ If you are reasonably concerned about ethical aspects of a client's activities, you will be allowed to withdraw from working with that client after appropriate consultation and agreement with your Group Leader and the approval of the Region Chair.

9 Conflicts of Interest:

- ≠ Arup's professional duty extends to not placing ourselves in a position where any conflict of interest is likely to arise. Where any potential conflict does arise, we must identify it and ensure it is appropriately addressed. Where we have more than one role on the same project for different clients:
    - Follow the procedures for identifying all job opportunities through job application forms.
    - Seek client agreement to the arrangements
    - Implement effective information barriers between project teams so that teams are from separately located groups, led by separate project directors, and operating effectively as separate organisations. Further guidance on information barriers is available here
- ≠ You must not allow your private interests to influence your business judgment or decision making on behalf of Arup.
- ≠ You are not prohibited from owning shares in any of our client, partners, contractor's or competitor's businesses but it is essential that these business dealings do not raise a conflict of interest or give the appearance of doing so and you must comply with insider trading legislation at all times.
- ≠ Jobs/affiliations of close relatives may give rise to the appearance of a conflict of interest and this should be taken into account.
- ≠ You may be asked to serve on the board of directors or as trustees etc. of another organization and such roles can provide opportunities for personal development as well as building experience and relationships in new areas. Approval must be sought before such a post may be accepted in the following circumstances:
    - Where the organization is commercial (as this is likely to increase the chance of a conflict arising); or
    - Where there are, or may be perceived to be, concerns in respect of time and commitment, financial exposure or reputation

Approval should be obtained from the relevant Region Chair or, in the case of a Region Chair or Group Board member, by the Group Chair.

10 Political Contributions

- Arup funds or facilities may not be used to make political contributions to any organisation or candidate for public office. You are not restricted from contributing financially, from your own funds, to political campaigns or from participating, in your own time, in political campaigns.

11 Asking Questions & Raising Concerns:

- Arup encourages all staff to discuss any queries or concerns that relate to ethical business practices.
- If you have a concern or suspect that a breach of this policy has occurred or may occur, you have a duty to report these concerns.
- You may report suspected breaches of this policy anonymously, although you are encouraged to identify yourself so that a full investigation is possible. Investigation may not be possible or effective where reports are anonymous. Arup will conduct any investigations sensitively and will take all reasonable steps to keep your identity confidential but in some cases disclosure will be unavoidable.
- All potential breaches of this policy that are reported in good faith will be investigated responsibly.
- Arup will not tolerate any form of retaliation against individuals who report, in good faith, breaches or potential breaches of this policy.
- If you would like to ask a question or to report a suspected breach, you should:
    - Direct all queries are directed through your Group Leader in the first instance.
    - Where this is not possible or appropriate, employees may choose to contact the nominated member of the Arup Group Board

12 Disciplinary Procedure for breach:

Failure to comply with the spirit or letter of this policy may result in significant reputational damage to Arup and breaches of the law, of any country, is a serious matter which may subject Arup and/or individual employees to civil and criminal penalties.

In addition to the above, where individuals are in breach of the terms of their contract of employment they may be subject to disciplinary action, up to and including termination.

Approved by Group Board, October 2011

Making Ethical Decisions

Making ethical decisions can be difficult and to help, we recommend you apply a 5-step approach to the ethical decision making process.

Consider the Problem:

- Is it legal?
- Does it violate our company policies or Code?
- Is it consistent with our values?
- Is it a question of being fair?

Consider how your intended action will make you feel:

- Relief, regret or remorse?
- If you have to convince yourself you are right then you are probably wrong

Consider how those affected will feel:

- Duped, used, angry, annoyed or disappointed?
- Pleased, proud, respected?
- That you are the only one to benefit?

Consider what others will think:

- What would your family, friends and colleagues think?
- Would you, or they, be happy reading about it in the paper?

Consider the options for raising a concern:

- What is the best method for raising this concern?
- What evidence do you have or will you need?

This simple 5 step approach can be applied to any dilemma and when used alongside the code of practice you'll have the confidence to act ethically.

ARUP