

# UN GLOBAL COMPACT

## COMMUNICATION ON PROGRESS 2015



- Human rights & labour
- Environment
- Anti-corruption
- Code of Conduct for service providers

# MISSION

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



## ABOUT AQUAFIN

**A**quafin has over 1,000 employees who work on the development and management of the infrastructure for the treatment of domestic waste water. Since its establishment by the Flemish Region in 1990, the company has raised the treatment level in Flanders from just 30% to 82%.

Aquafin collects the domestic waste water from the municipal sewers in collector sewers and transports it to waste water treatment plants, where it is processed in accordance with EU and Flemish standards. It is Aquafin's responsibility to ensure the optimum operation and maintenance of the infrastructure in which the region has invested. Aquafin also offers the same services for the municipal sewer systems.

We want to create real added value for society and our living environment. Accordingly, we also want to help our customers deal with stormwater differently, by making more space for it and integrating it into public areas. Starting with the design, we pay attention to the entire lifecycle of the infrastructure, continuing to keep a close eye on its operation once it is up and running. Smart energy consumption, recovery of raw materials from waste water and reducing emissions in the water treatment process and discharge of untreated waste water are central to our activities. Based on our expertise and experience, Aquafin has become a much sought-after partner in research projects aimed at implementing the EU Water Framework Directive, both in Belgium and abroad.



## FOREWORD

Aquafin continues to abide by the 10 principles of the UN Global Compact and has renewed its commitment this year. Besides reporting figures for 2015, this second “Communication on Progress” from Aquafin also contains information about relevant initiatives taken in the first half of 2016. This is because, as Aquafin first signed the UN Global Compact in June 2014, our reporting year always spans two calendar years.



Our vision expresses what we aim for on a daily basis: clean watercourses for successive generations and a living environment in harmony with water. This is a socially responsible goal in itself and we aim to achieve this added value through our core business. Through the continued development and good management of the treatment infrastructure, we ensure that more and more domestic waste water is treated, reducing the chance of society or the environment suffering through the failure of the infrastructure. At the same time, we look forward and consider how to deal smartly with treated water and stormwater in our urban areas.

We want to make a difference to society - not just by what we do, but by how we approach things. In all of our processes, we aim to do business as sustainably as possible. Aquafin adopts a human approach to our environment and our employees, with the emphasis on communication and openness.

We also expect our partners who work with us to fulfil a series of basic requirements based on the 10 principles of the UN Global Compact. By adding a Code of Conduct to specifications, we try to have an impact on our entire supply chain. Naturally we realise that this is difficult to monitor. Nevertheless, we are convinced that in doing so we raise awareness of the principles, and enable their wider dissemination through our direct suppliers.

Luc Bossyns  
Managing Director

# AQUAFIN AND THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## Human rights & labour

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

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



### Working safely

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

At the beginning of 2016, Aquafin set up an internal working group with the goal of defining a path for raising awareness of safety and safe working by the end of the year. In 2015, we recorded 20 lost time accidents, with a lower severity than in previous years. By focussing more closely on safety, we aim to bring about a significant reduction in the number of occupational accidents and their severity.

Aquafin aims to communicate the same focus to its technical partners. Our sites must be a safe place to work. From 2017 onwards, Aquafin will also take “quality” into account when awarding contracts, along with price. This new award criterion involves an assessment of how safely the contractor works.

Aquafin also performs on-site inspections in accordance with the legal requirement for the recording of attendance on major construction sites. If the company discovers an infringement, it speaks to the people concerned and draws up an official record. The contractor is then given the opportunity to make a statement. If no statement is made or if the statement is inadequate, Aquafin refers the matter to the Federal Public Service for Finance. The purpose of the recording requirement is to increase the well-being of workers on site as well as helping to combat social fraud in the sector.



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

As prescribed by Belgian law, Aquafin has a Works Council and a Health and Safety Committee with equal representation. The employee representatives represent the various categories of employees: white collar, executives and young workers (no one has blue-collar status at Aquafin). Employees are free to decide which trade union to join, if any. Both the Works Council and the Health and Safety Committee meet on a regular basis. The minutes of these meetings are accessible to all employees.

In 2015, the Works Council and the Health and Safety Committee both met 11 times.

On 10 May 2016, Aquafin organised elections for the Works Council and the Health and Safety Committee fully in accordance with the law. Ten full representatives were elected for the employees' delegation for the Works Council and ten deputies. Eight full members and eight deputies were elected for the employees' delegation for the Health and Safety Committee.

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

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

In view of the high engineering content of the company's activities, most applicants to Aquafin remain male. In 2015 the ratio of our employees (expressed in FTE) was 683 men to 223 women.

Under Belgian law, companies with more than 20 employees are required to draw up an employment plan designed to maintain or increase the number of employees aged 45 or older. Aquafin has drawn up such a plan in conjunction with the social partners. This plan is reviewed and updated on an annual basis. On 31 December 2015, 417 employees were aged 45 or older. On the other hand, we also make the efforts required by law to recruit young people.

Aquafin views a widely diversified workforce as a definite asset. All employees, regardless of qualifications, position and seniority, are classed as white-collar workers.

### Home of ability to work

In 2015, Aquafin launched the "huis van werkvermogen" (home of ability to work) campaign as a metaphor for the elements needed to feel good about work. The company engaged in specific campaigns based on each of these elements. These campaigns are largely based on a welfare survey organised by Aquafin in 2014 in conjunction with SD Worx.



**Work:** Work with an environmental value at a transparent benefits package.

**Standards and values:** To set out a clear framework for what Aquafin stands for and what is the contribution of each employee to this.

**Competencies:** Encouraging personal development through job rotation, job crafting, career planning, informal learning, knowledge sharing, etc.

**Health:** Physical workability and a psycho-social well-being policy.

**Work-life balance:** Working independently of location and time within a clear agreement framework.

## Environment

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

AquaFin is responsible for the development and management of the regional infrastructure for the treatment of domestic waste water in Flanders. We also offer the same services for the municipal sewer system. The water we discharge into a watercourse following treatment must comply with Flemish standards, which are even more stringent than European ones. In 2015, 97.6% of waste water treatment plants complied with all applicable standards. This is slightly down on the previous year, due to adverse weather conditions in the spring. AquaFin has to comply with both concentration limits for treated waste water, which were also very good this time, and removal percentages. High rainfall means that the waste water entering the waste water treatment plants via largely mixed sewer systems is very diluted. As a result, the pollution load concentrations of the incoming waste water tend to be below the discharge standards. This makes it very difficult to achieve the required removal percentages, even though the treated waste water discharged by us is of excellent quality.

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

The Flemish Environment Agency audits AquaFin's environmental performance. To measure the performance of the treatment infrastructure managed by us on behalf of the Flemish Region, together with the Flemish Environment Agency, we have devised a set of ecological indicators which are reviewed on an annual basis. We also perform our own monthly calculations of the key performance indicators. If there are negative developments anywhere, we identify them swiftly and can make immediate adjustments.

Of the 382 reports we made to the Flemish Environment Agency last year, 245 had an ecological impact.

We also aim to ensure that the waste water reaches the treatment plant via the existing facilities when carrying out infrastructure projects.

To this end, it is determined during the design phase what needs to happen to guarantee the waste flows during the works so that no untreated waste water enters the watercourses. Arrangements for the drainage of the working area, to enable dry working, are also made during the design phase. The number of projects for which the drainage water has to be removed via the sewers is very small. In most cases, a solution is found so that this ground water can filter back further on or flow away into a watercourse.

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

AquaFin is aware that the infrastructure works it carries out cause disruption to local residents, retailers and passing traffic. However, our works are necessary in order to collect waste water from households and transport it to a waste water treatment plant, so that it does not harm the environment. We inform local residents in detail about the necessity of this, while also taking on board their concerns. In 2015, AquaFin organised 110 information evenings in relation to infrastructure works.

Citizens do not usually come into direct contact with AquaFin unless we are carrying out works in their area. Nevertheless, we consider it important to familiarise them with our mission and the purpose of our works. In 2015, 614 group tours took place on our waste water treatment plants equipped for this purpose. We invite local residents to come and take a look at new waste water treatment plants and take a tour to learn about the treatment process. In 2015, we organised nine neighbourhood tours.





### Chap'eau highlights clean watercourses

In 2015, Aquafin organised the second edition of Chap'eau, a yearly event together with the municipalities, the Flemish Environment Agency, the Flemish Region, contractors, consultancy and engineering firms and other partners that help to ensure clean watercourses. Every year, we highlight a location that has made great progress towards good water quality. The polders of Kruikeke formed the backdrop for this year's event, as otters had been spotted there again after more than 30 years' absence. The otters' surfacing again is proof of the improved water quality in and around the Scheldt basin and a promising sign that we wanted to share with a wide audience during the event. Aquafin also made every effort to ensure that the various aspects of the event were organised as sustainably as possible (vegetarian offering, green children's entertainment, waste policy, etc.). We entered for OVAM's GroenEvent (green event) award and received an honourable mention.

### Raising awareness about wet wipes

Pipes and pumps in our water treatment infrastructure are becoming blocked more and more frequently by wet wipes that are flushed down the toilet when they are not designed for this. Besides high repair costs, this can also cause environmental damage. If the pumps shut down and too much waste water collects in the sewer system, it is discharged into a watercourse via an overflow to prevent flooding.

Aquafin has cooperated in a Royal Decree at federal level requiring a pictogram for wet wipes that are not flushable. To raise public awareness of this, we have asked municipalities to include this information in their newsletters and we are also spreading the message through the most relevant media channels.

### Making commuting more sustainable

Aquafin aims to encourage its employees to find more environmentally friendly ways of commuting. The company organises "Bike to work" campaigns several times a year and even won the "Bike to work Winter Trophy" for businesses in the 800 to 3,500 employee category in December 2015. In 2016, Aquafin took part in "Mobi", a mobility game in which teams of employees can register online and score points whenever they make an effort to avoid driving during the rush hour. The aim is to make at least 1 in 5 commuter journeys in a sustainable manner. The greener the alternative, the more points are scored for the company. As an extra incentive, Aquafin is committed to converting the CO<sub>2</sub> emissions saved by employees through sustainable mobility into sponsorship of nature parks. Aquafin also tries to reduce the number of work journeys through initiatives such as satellite offices and flexible workplaces.



### Young people work in water treatment for a day thanks to Zuiddag (Work for Change)

By offering employees' children the opportunity to spend a day working at Aquafin for Zuiddag (Work for Change), we enabled them to get to know the water treatment process from close up. In this way, we raise their awareness of the environment at the same time as supporting projects carried out by young people worldwide to create a fairer and more sustainable society.



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

### Reducing energy consumption

Water treatment is an energy-intensive process. In 2015, the energy bill for Aquafin's treatment activities amounted to around 31 million euros, or a quarter of our total operating costs.

In 2011, Aquafin's Management Committee and Board of Directors approved the energy policy statement, aimed at cutting primary energy consumption. In line with the European climate objectives and the commitment of Belgium, Aquafin aims to achieve the following energy-related goals by 2020, compared with the reference year of 2010:

- 1. Reduce consumption of primary energy by 20%
- 2. Generate 13% of green electricity
- 3. Reduce transportation by 20%

#### 1. 20% less primary energy

Once again In 2015, Aquafin carried out a number of projects leading to a reduction in the energy consumption of our waste water treatment plants. For example, we systematically replaced our old aeration systems with new, low-energy fine bubble aeration. Last year, we also examined the energy consumption of five plants that were among the highest consumers and formulated action plans to reduce consumption. Every year, Aquafin sets aside a budget of 500,000 euros for energy projects involving minor investment. More major modifications of the infrastructure have to be included in the Optimisation Programme awarded to Aquafin each year by the Flemish Region. In 2015, total electricity consumption was 8% lower than in 2010, allowing for the consumption of newly added infrastructure.

#### 2. Generate 13% of green electricity

Through the digestion of sludge, a by-product of water treatment, Aquafin can generate its own green electricity. This proportion is rising year by year and amounted to 4.2% of our total electricity consumption or about 12 GWh in 2015. The company is investigating how the yield from sludge digestion can be increased further.

In 2015, 36% of the non-digested sludge and the sludge that remains after the sludge digestion process was dried in our own sludge drying plants in Deurne, Houthalen or Leuven. We supply the dried sludge to the cement industry in the form of granules or pellets for co-incineration in cement furnaces, to replace fossil fuels.

#### 3. Reduce transportation by 20%

In order for the excess sludge produced during the treatment process to be processed, it needs to be transported to centralised processing plants. The less water the sludge contains, the lower the volume and therefore the less transportation is required. Aquafin therefore does all it can to increase the dry solids content of the sludge. In the period of 2010-2015, this content of liquid sludge rose from 4.07% to 4.77%, so that in 2015 the number of kilometres travelled by liquid sludge was 200,000 km lower than in 2010, despite an 18% increase in the quantity of sludge.

The efforts we make to reduce our energy consumption not only have a financial impact but also help to reduce our ecological footprint. For the first time in 2015, an estimate was made of the CO<sub>2</sub> emissions of our business based on three scopes or sources.

- **Scope 1:** direct discharge, for which Aquafin itself is responsible
- **Scope 2:** indirect emissions from purchased electricity
- **Scope 3:** all other indirect emissions from sources beyond the control of Aquafin

Sources	Tonne CO <sub>2</sub> -eq
<b>Scope 1</b>	
Natural gas	6,820
Heating oil	538
Fuel for company vehicles	2,312
CH <sub>4</sub> emission <sup>(1)</sup>	48,026
N <sub>2</sub> O emission <sup>(1)</sup>	75,811
<b>Scope 2</b>	
Electricity	40,610
<b>Scope 3</b>	
Fuel for transportation of sludge	2,535
Use of chemicals	9,566

(1) Flat rate based on loads processed



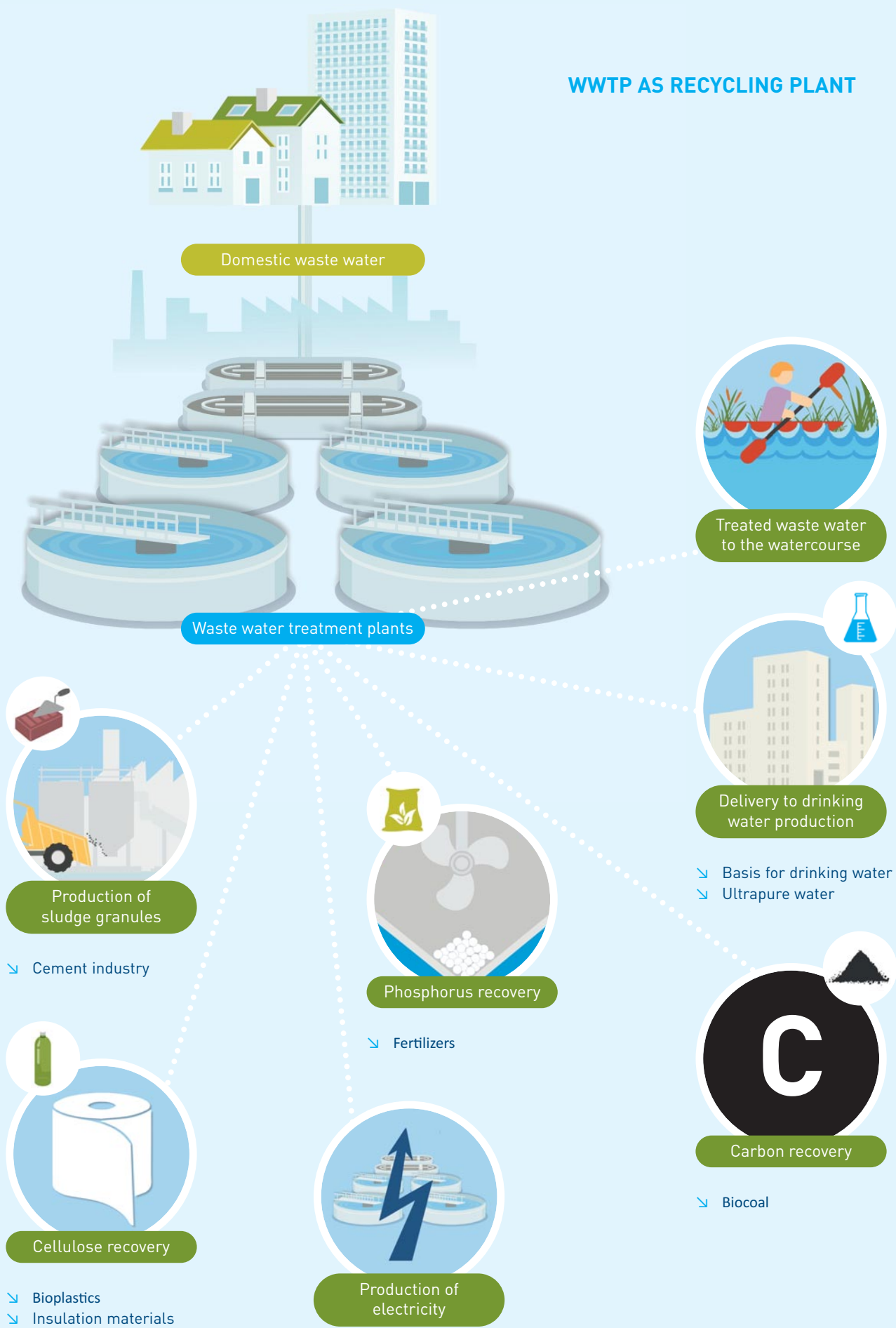
## Recovery of raw materials

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

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

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

The waste water treated in Aquafin's plants is of excellent quality and can be discharged into a watercourse. It is also suitable for replacing expensive drinking water under certain circumstances. After a little pre-treatment, for example, it makes excellent process or cooling water for industry. Provided that it is thoroughly treated, waste water can also be further upgraded to any desired quality, even to drinking water. This is what happens in Koksijde, where drinking water company IWVA takes treated waste water from the treatment plant and turns it into drinking water. A meat-processing company, whose water treatment is handled by our subsidiary Aquaplus, processes the treated waste water on site into drinking water used for meat processing. The excellent and consistent quantity of the treated waste water has a major impact on the taste and quality of the company's products.



## Anti-corruption

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

Corruption, extortion and bribery are prohibited under Belgian law, which we respect at Aquafin.

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

Aquafin has produced a supplement to the terms of employment on the subject of conflicts of interest. The principles contained in this supplement, which employees must follow, have been tightened up in 2015.

## Code of Conduct for service providers

The company is obviously fully in control of compliance with the 10 principles of the UN Global Compact as far as Aquafin itself is concerned. Since we also expect service-providers with which we work to apply these principles, we incorporate a Code of Conduct into each set of specifications. This contains the basic requirements to be fulfilled by service-providers with respect to their responsibility to stakeholders and the environment. Aquafin reserves the right to request a self assessment or to carry out checks at any time. The Code of Conduct comprises the following rules:

- 1. Compliance with the law
- 2. Ban on corruption and bribery
- 3. Respect for employees' basic human rights
- 4. Ban on child labour
- 5. Employees' health and safety
- 6. Protection of the environment
- 7. Endeavour to ensure compliance with the Code of Conduct within their own supply chain and non-discrimination in the selection and treatment of their own suppliers

Aquafin's Corporate Governance Charter is available at [www.aquafin.be](http://www.aquafin.be).











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successive generations  
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