

# Corporate Social Responsibility



Review 2017



Trust  
Quality  
Progress



# Corporate Social Responsibility ever more visible at Kiwa

Corporate Social Responsibility, or CSR, is in Kiwa's genes. Our quality declarations, tests and inspections make the world a little bit more safe, sustainable and of better quality. At the same time, we sustainably develop ourselves and our business beyond country borders. CSR indeed links all Kiwa companies worldwide, as became apparent over the last few years and ever more visible in 2017 as well.

## Our CSR Statement

“ We ARE Kiwa, a global leader in Testing, Inspection and Certification (TIC). We operate at the heart of society: our aim is to create trust in people’s health and safety at work and at home. Our purpose is to contribute to making products, processes, organisations, living and working environments as clean, healthy, safe and sustainable as possible. In doing so, we create trust, transparency and a level playing field for all parties involved, both private and public. For Kiwa, fulfilling Corporate Social Responsibility (CSR) means embodying these principles in all that we do and to respond to the trust society places in us. Thus, we aim to improve and sustainably develop society, both globally and locally for the benefit of all. ”

Paul Hesselink, CEO Kiwa

## Creating trust for society

With our TIC services, we provide transparent information on the quality, health, safety and sustainability of a wide variety of products, processes, services, persons, systems and organisations. We do so through independent testing, inspection and certification (TIC) strengthened by training and consultancy services.

### We offer these services for:

- ▶ governmental bodies that make and enforce rules and regulations and define acceptable levels of quality, safety and health;
- ▶ public utilities and service organisations that (continuously) supply gas, electricity and water, provide healthcare and education and ensure our food is safe;
- ▶ the industrial sector that supplies goods, products, installations and services and aims for improvement and innovation on a level playing field open for all;
- ▶ the (end) user that wants to be confident that what he or she uses or consumes is reliable and safe, so he or she is able to choose quality based upon independent judgement.

In doing so, Kiwa creates trust for society at large. All in all, about 70% of our revenues directly relate to CSR.

## Our internal CSR organization

In 2017, Kiwa has started an international CSR Quality Platform (QP). In the Netherlands, such a Quality Platform already exists several years. The international CSR QP aims to inspire Kiwa office and lab locations globally to embrace our corporate CSR policy. CSR is an integral part of Kiwa’s Corporate Management System. Locally, with the corporate CSR policy in mind, CSR workgroups per location unfold their own CSR-related projects to create awareness among colleagues and in local society.



## CSR Performance Ladder

A growing part of Kiwa locations worldwide has been certified according to the CSR Performance Ladder. This ladder uses 33 indicators and 5 levels to 'measure' a company's efforts regarding corporate social responsibility, which makes it an excellent tool to compare companies and stimulate improvement.

### Our ambition

We have the ambition to have locations representing 80% of our global turnover certified according to CSR Performance Ladder Level 3 in 2020. Our colleague TIC company DNV-GL yearly audits us to verify and extend our certification. Furthermore, internal audits take place on a regular basis.



### CSR Level 3 locations

#### Since 2015

- 1 Antwerpen (Belgium)
- 2 Apeldoorn-Wilmersdorf (the Netherlands)
- 3 Arnhem (the Netherlands)
- 4 Nieuwegein-Nevelgaarde A (the Netherlands)
- 5 Rijswijk (the Netherlands)

#### Since 2016

- 6 Apeldoorn-Schumanpark (the Netherlands)
- 7 Hamburg (Germany)
- 8 Uppsala (Sweden)
- 9 Zaltbommel (the Netherlands)

#### As of 2017

- 10 Greven (Germany)
- 11 Nieuwegein-Nevelgaarde B (the Netherlands)
- 12 Valencia (Spain)
- 13 Vught (the Netherlands)



## Some examples of what we do

Collecting **plastic caps** to finance **guide dog training**

Donations & sponsorships

Reducing **paper use**

**Customer education** meetings

Making **CO<sub>2</sub> footprint** visible

## Our stakeholders' expectations

As the CSR Performance Ladder encourages the on-going process of Stakeholder Management, we discuss our CSR efforts with stakeholders – customers, suppliers, colleagues, supervisory boards, CSOs and others – on a regular basis. Where possible and appropriate, we include CSR topics in regular talks and consultations using Kiwa's 2017 CSR goals. Stakeholder advice from 2016 has been incorporated in these goals.

Over 2017, stakeholders prove to be satisfied with Kiwa's CSR efforts. Their expectations are reasonable and in line with Kiwa's corporate focal points. In general, stakeholders are eager to cooperate with Kiwa when it comes to corporate social responsibility.

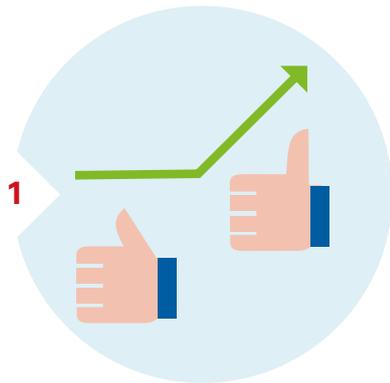
Improving **energy usage awareness**

Cooperating with (local) **education institutions**

Sustainably developing **evaluation guidelines**

# CSR focal points

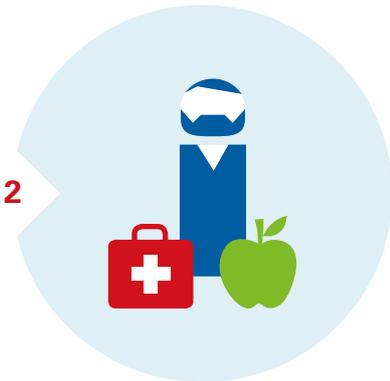
Each year, we define CSR focal points for Kiwa as a whole (i.e. CSR Performance Ladder certified offices). Furthermore, each certified Kiwa office is expected to embrace a fifth goal tailored to the office, to be provided and monitored by the local CSR working group – which they all did in 2017.



## Customer satisfaction

**Goal** - Being a commercial service organization, we must satisfy our customers for them to continue doing business with us. Therefore, their level of satisfaction must be at least equal to or improve compared to Customer Satisfaction Survey 2016 results.

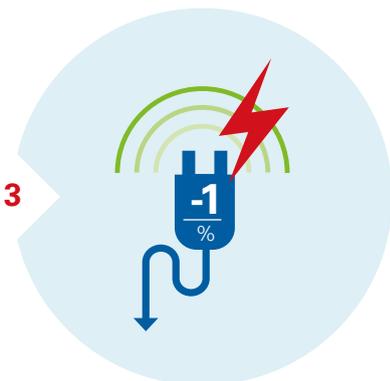
**Result** - We improved customer satisfaction in 2017. Results of satisfaction surveys show customers continue to value what we do for them – even slightly better than in 2016.



## Employee health and safety

**Goal** - Our employees must be able to do their work under healthy and safe conditions. Therefore, an up-to-date Risk Inventory and Evaluation (RI&E) and an additional Action Plan must be available at all offices.

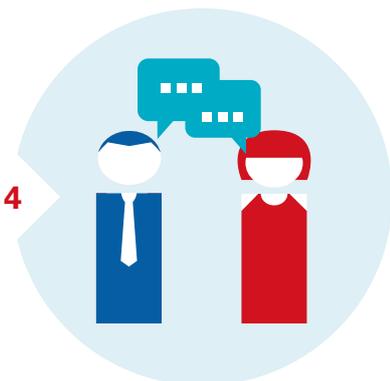
**Result** - RI&Es and Action Plans have been made or, in some cases, are being discussed in all Kiwa locations in the Netherlands. Focus now shifts to locations outside the Netherlands.



## Energy consumption reduction

**Goal** - To reduce our energy consumption, we aim for a 1% reduction per certified office per year, related to turnover and/or amount of employees. We strive to use sustainably generated energy ('green energy') where possible.

**Result** - Actions have been taken all over Kiwa to reduce energy consumption, including reducing electricity usage in labs, installing LED lighting and starting awareness programmes. All in all, energy consumption Kiwa-wide has decreased with more than 1% over 2017.



## Communication

**Goal** - We foster pride in and engagement with CSR by communicating CSR related subjects with all stakeholders involved, both within Kiwa and externally. Therefore, at least 20 CSR related messages will be published through internal and external communication channels.

**Result** - In both 2016 and 2017, at least 35 CSR related publications were shared internally and externally. 2017 also saw a social report for employees in the Netherlands, entitled 'People of Kiwa' ('De mensen van Kiwa').

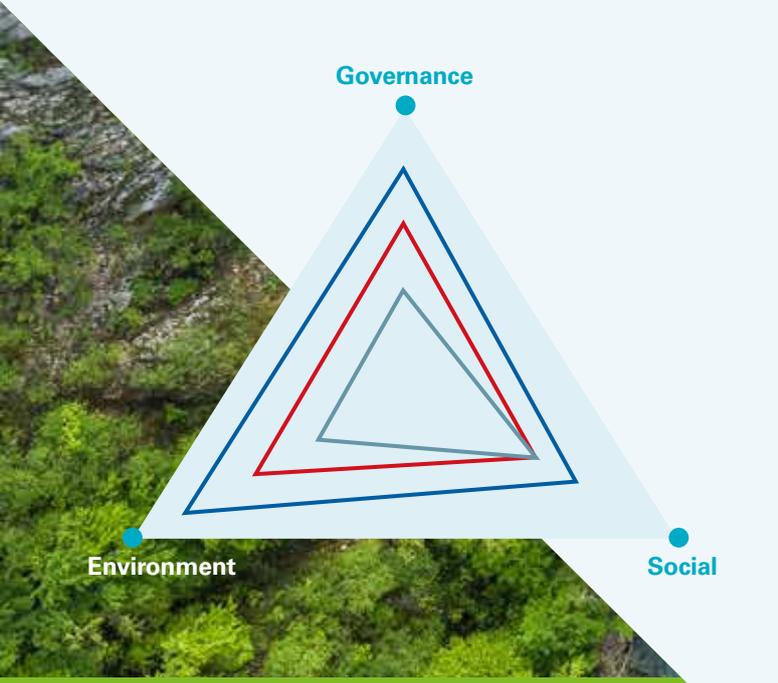
# Our CSR efforts compared

We aim to improve our CSR performance continuously at Kiwa by internally auditing ourselves and having ourselves audited according to the CSR Performance Ladder. Furthermore, external parties compare our performance to peer companies from time to time, resulting in an impartial view on our CSR efforts. In 2017, we have been reviewed by Idivest Partners (initiated by Rabobank, which is one of Kiwa's financial partners) and our main shareholder, NPM Capital.

**ESG**  
 Investors often refer to ESG – Environmental, Social & Governance – to indicate that things like energy usage, climate, safety and good company governance are being considered when selecting and managing participations.

## Rabobank and Idivest Partners questionnaire

Idivest Partners commits itself to continuously improve its responsible investment policy. In this context, a questionnaire assessing environmental, social and governance (ESG) performance is completed by portfolio companies on an annual basis. This summary assessment intends to benchmark the company's ESG performance in comparison to peers. Idivest Partners used INDEFI's methodology for this analysis. It is based on the company's business sector and its answer to the ESG questionnaire. The Idivest Panel (IP) is composed of the 142 companies having answered to the ESG questionnaire in 2017. The business sector panel (BSP) is composed of the list of companies within a specific business sector; for Kiwa, it consists of 12 companies.

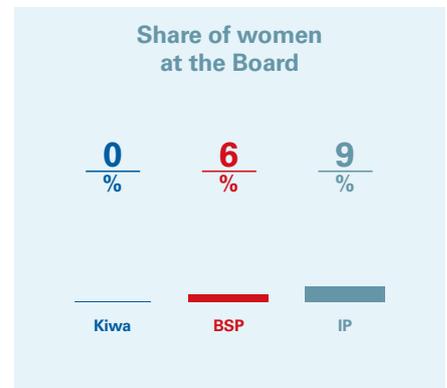
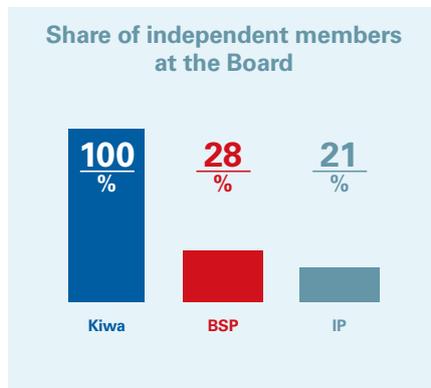


### ESG Score



# Analysis of a set of ESG KPIs

- **Kiwa**
- **BSP** (business sector panel)
- **IP** (Iinvest Panel)



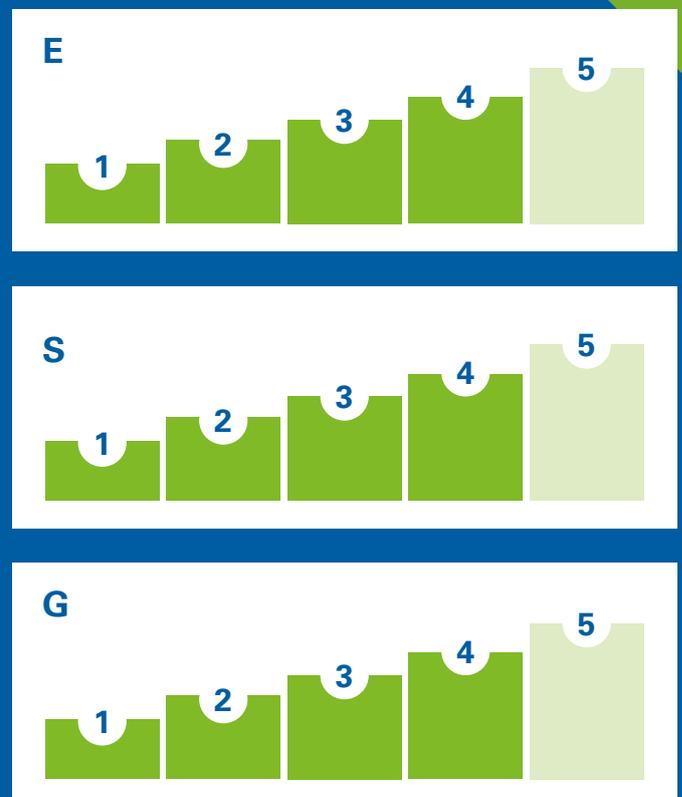


## NPM Capital research

As our main shareholder, NPM Capital is an important stakeholder and a supercharger for our CSR efforts. In 2017, NPM Capital measured their entire investment portfolio against an ESG scale developed by Spring Associates in which relevant industry themes have been identified. Topics include energy and carbon efficiency, fair labour, business integrity and transparency. Performance was judged by classifying the level of maturity of the company's ESG management on a 5 level scale. Kiwa proved to have a mature approach to both Environmental, Social and Governance related issues; ESG has been (almost) fully integrated into day-to-day activities. ESG relevance happens to be relatively low for Kiwa when compared to other NPM Capital portfolio companies; however, thanks to Kiwa's good management of ESG themes, it is in NPM Capital's so-called Monitoring Group. For these companies, NPM's advice is to keep up the good work.

- 1 Compliant
- 2 Involved
- 3 Committed
- 4 Integrated
- 5 Innovative

### ESG performance for Kiwa



## Looking ahead: improving our CSR efforts

In general, Kiwa's stakeholders prove to be satisfied with our CSR performance. Still, they see room for improvements – as we do ourselves.



### **Diversity and opportunities**

Stakeholders indicate we could improve labour participation for those with less opportunities. Possibilities include splitting certain roles or tasks within our organization.



### **Competition – no obstructive behavior**

Stakeholders indicate we should be more visible to our markets and stakeholders in general and that we should propagate our CSR efforts more often and more openly.



### **Compliance**

When creating or adapting evaluation guidelines (the basis for auditing and certifying products and services), shareholders expect us to take CSR aspects into account or, in other words, we should play a more proactive role in developing sustainable guidelines.



### **Materials**

According to stakeholders, we should 'practice what we preach' more often when it comes to our own assets. The appearance of our Apeldoorn-Wilmersdorf office was named as a negative example.



### **Emissions, waste water and residual waste**

Kiwa's CSR policy tends to be internally aimed, according to stakeholders. We should use our broad client network to develop CSR initiatives beyond our own offices.



Kiwa's main challenge for the future is to internally bring all international offices to Level 3 of the CSR Performance Ladder. 2017 saw a significant increase in CSR Performance Ladder Level 3 certifications beyond Dutch borders. Of course, we'll take stakeholder comments into account when defining CSR focal points for 2018. Our main opportunity going forward is to maximize the sustainable value for our customers. All in all, we continue our CSR policy and efforts while we aim to improve our CSR efforts on a global scale.

# Kiwa's 3P statement

Kiwa's core activities logically place us at the heart of society – a position which has been strengthened by our history. The roots of our entities around the globe lie in safeguarding people's health and safety by providing a high quality verification service. In many cases, this role originated from a governmental mandate in sectors including gas, energy, drinking water and construction or production safety. These companies and a wealth of new family members offering services in a broad range of markets have grown into Kiwa as it stands today: Ambitious, Reliable and Engaged ('We ARE Kiwa').

For Kiwa, CSR converges around the so-called "3 Ps": People, Planet and Profit. We carry out our business in close collaboration with many stakeholders, from customers to suppliers, from our employees to our shareholders and society at large. Therefore, we recognise and appreciate the corporate social responsibility we have towards all these stakeholders, society and the environment. Naturally, being a commercial company, we need to make profit to safeguard continuity, but not at any cost. We have created the below statement to define our interpretation of the 3 Ps.



## People

- ▶ We treat people with fairness, respect, and decency.
- ▶ We aim for a high customer satisfaction level.
- ▶ We aim to be an organization with a high level culture in which it is possible to grow and that inspires all employees.
- ▶ We help our employees to reach their full potential by providing funding and facilities for learning, training and development.
- ▶ We do not discriminate and are an all-inclusive employer; we judge only on the ability to work effectively.
- ▶ We provide a healthy, safe and secure working environment.
- ▶ We produce our HR policies with the intention of achieving high employee satisfaction by providing optimal working conditions and opportunities for personal development.
- ▶ We encourage our own people to contribute to initiatives that advance society and its people.
- ▶ We behave appropriately and train and inform our employees in e.g. competition compliance and correct business behaviour, through our Code of Conduct and corporate policies.
- ▶ We act in accordance with our Corporate Core Values: Ambitious, Reliable, Engaged ("We ARE Kiwa").



## Planet

- ▶ We contribute to the social and economic well-being of the communities in which we are an employer.
- ▶ We ask our stakeholders for their opinion on our CSR Policy and take their interests into account.
- ▶ We always try to minimise the adverse environmental impact of our business operations (e.g. striving to reduce waste, spills and inefficiency).
- ▶ We operate a CSR programme aimed at improving our efforts and climbing the CSR Performance Ladder.



## Profit

- ▶ We strive to be a good global corporate citizen that brings progress to the world.
- ▶ We aim to create a level playing field for all parties, allowing them to conduct their business in a fair manner, improve themselves and stimulate innovation.
- ▶ We prefer to invest our profits in the development of our company instead of paying dividends.
- ▶ All employees may become shareholder of Kiwa and benefit from the value creation of the organisation.
- ▶ We are a financially stable business and aim to satisfy all our stakeholders in a responsible manner.
- ▶ We set our goals high and always strive to reach the next level by continuously improving ourselves – evolution instead of revolution.

**Kiwa N.V.**

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