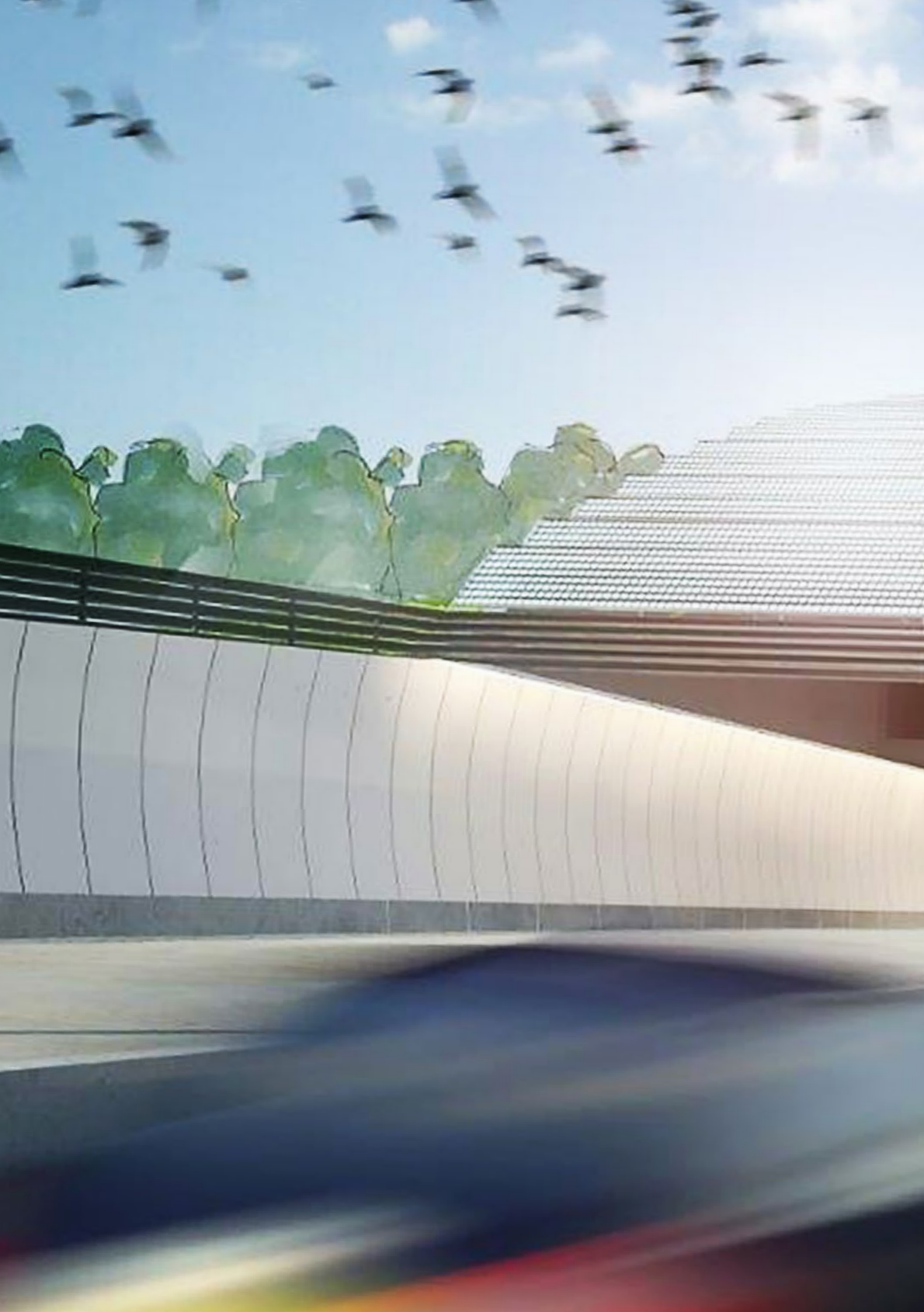




EUROPEAN
INTERNATIONAL
CONTRACTORS



EIC

CORPORATE RESPONSIBILITY REPORT

KEY FACTS



15 MEMBER FEDERATIONS



12 ASSOCIATED MEMBERS



EIC MISSION

European International Contractors (EIC) is the only industry association representing the interests of internationally active European contractors towards the European Union (EU), international organisations, international financing institutions and society at large.

EIC advocates fair international competition and balanced contract conditions, quality-based procurement and value-for-money, innovative project delivery schemes and sustainable construction methods.

EIC aims to create new business opportunities for European international contractors by promoting a closer collaboration between development and commercial financiers and by encouraging Public-Private Partnerships internationally.

EIC provides a unique forum for networking and sharing experiences regarding all matters relating to the international construction business.

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PRESIDENT'S MESSAGE

As a provider of all types of buildings and facilities as well as energy, water, transportation and social and urban infrastructures, the European construction industry plays an eminent role in the economic and social development of the European Union. Arguably, it is also one of the largest employers in each Member State.



Globally, as European international contractors we have operated for more than a century in all corners of the world. When going abroad, rather than exporting labour, we usually team up with our local partners and suppliers and we employ and train our local workforce in accordance with internationally recognised labour standards.

Admittedly, the construction value chain leaves a significant ecological footprint on our planet. As an industry, we are constantly addressing the consequences of our respective activities and we actively seek ways to reduce our overall environmental impact. The increased focus on sustainability and the corresponding demand for resource efficiency, recyclability and use of renewable energy has provided us with opportunities to perform better and to distinguish ourselves in the intense competition on the global market. Moreover, social and ethical issues, such as supply chain responsibility, eliminating unethical behaviour and providing a better work environment for our employees throughout the value chain has increased in importance for many international clients, their financiers as well as for civil society in general.

In this respect Corporate Responsibility (CR) has become in recent years an integral element in the global business landscape forming part of our companies' social consciousness. Responsible business conduct towards employees, business partners, society and the environment is an integral part of the value system of our companies.

This is why we look at our CR obligations not just from a risk perspective, but also from a business opportunity perspective. Through this publication, we wish to inform our clients, partners and all interested stakeholders about our respective achievements over the past years. We have decided to share our perspective and report good practice examples to demonstrate in practical terms how we have implemented CR practices in our daily international operations.

Whilst we have advanced as European international contractors to become front-runners in this field, we recognise that improvements can always be made. Against this background, the new UN 2030 Agenda for Sustainable Development provides a new inspiration and strategic direction for companies to live up to their CR goals in the light of the current global challenges.

Brussels, January 2018

Philippe Dessoy
EIC President

As European international contractors, we have come to believe that technical expertise, economic success and good corporate citizenship are inseparable objectives of our company strategies.

EIC's Value Proposition to the UN Sustainable Development Goals

Absolutely crucial is the enhancement of a new generation of partnerships, partnerships not only with governments, not only with civil society and academia but equally partnerships with the business community in the context of the perspective of implementation of the Sustainable Development Goals [...].

UN Secretary-General's Remarks at the World Economic Forum on 17 January 2017 in Davos, Switzerland

EIC recognises the importance of the SDGs as a global agenda to address the world's biggest development challenges. We appreciate their adoption as an opportunity to demonstrate how European international contractors may advance sustainable construction solutions thereby minimising negative impacts and maximising positive effects on society.

We agree with the importance to publish individual company goals, as such practice will inspire employees and business partners and result in a constructive dialogue with external stakeholders. We trust that the UN 2030 Agenda for Sustainable Development will help to facilitate more effective partnerships with governments, civil society organisations.

EIC observes that SDGs call on business to apply its creativity and innovation to put the world on a sustainable path. As European international contractors, we propose to use the broad spectrum of goals to measure the benefits brought forward by our international operations on all stakeholders. We therefore deem it essential to agree on Key Performance Indicators that are specific, quantifiable and time-bound in order to measure progress in fulfilling the SDGs.

With this publication we wish to showcase the manifold contributions of European international contractors to the SDGs based on the understanding that all our international operations are conducive to creating a better future for our Planet, its People and their Prosperity, whilst adhering at the same time to the value of Responsible Business Conduct.

This publication defines the ten CR aspects, namely Adapting to Climate Change, Business Ethics, Continuous Learning and Transfer of Know-how, Creating Added Value in the Communities, Engaging our Stakeholders, Greening Operations and Conserving Resources, Health and Safety, Human Rights and Diversity, Labour Conditions and Supply Chain Responsibility, deemed as the most relevant to the international construction business linked to the Sustainable Development Goals.

Given that the 17 global goals are mutually connected and inter-linked, EIC takes the view that European international contractors make prominent contributions to the broad range of issues listed in the 2030 Agenda on Sustainable Development.



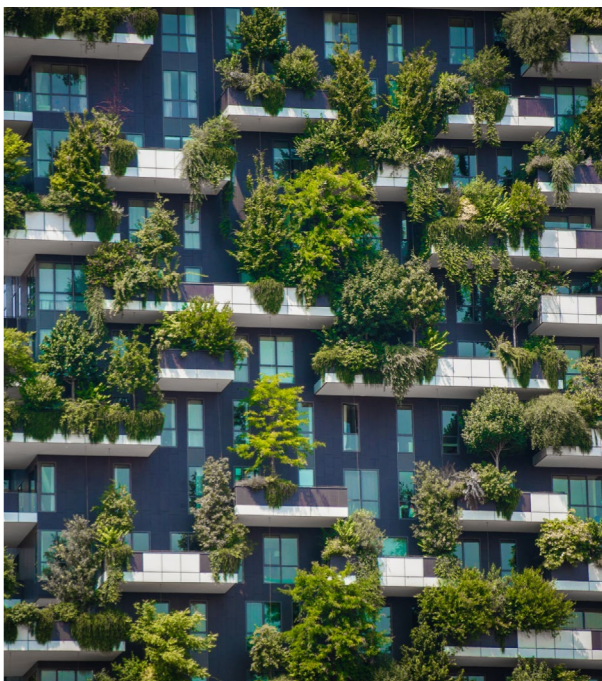
Our commitment, as a leading European industry association, is to embrace our responsibility and contribute to the long-term sustainable development aligned to the goals of the 2030 Agenda for Sustainable Development.

EIC-Position	I PEOPLE			II PLANET		III PROSPERITY			IV RESPONSIBLE BUSINESS CONDUCT	
	1. Labour Conditions	2. Health and Safety	3. Human Rights and Diversity	4. Greening Operations and Conserving Resources	5. Adapting to Climate Change	6. Engaging our Stakeholders	7. Creating Added Value in the Local Communities	8. Continuous Learning and Transfer of Know-how	9. Supply Chain Responsibility	10. Business Ethics
SUSTAINABLE DEVELOPMENT GOALS										
1 No Poverty	European international contractors' activities contribute to ending poverty in all its forms everywhere as well as ending hunger, achieving food security and improved nutrition and promoting agriculture.									
2 Zero Hunger										
3 Good Health and Well-being		✓								
4 Quality Education	✓						✓	✓		
5 Gender Equality	✓		✓							
6 Clean Water and Sanitation	European international contractors' activities ensure availability and sustainable management of water and sanitation for all.									
7 Clean and Affordable Energy	European international contractors' activities ensure access to affordable, reliable, sustainable and modern energy or all.									
8 Decent Work and Economic Growth	✓	✓	✓				✓		✓	✓
9 Industry Innovations and Infrastructure	European international contractors' activities build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.									
10 Reduced Inequality										
11 Sustainable Cities and Communities	European international contractors' activities make cities and human settlements inclusive, safe, resilient and sustainable.									
12 Responsible Consumption and Production				✓			✓			
13 Climate Action				✓	✓					
14 Life Below Water				✓						
15 Life on Land				✓						
16 Peace, Justice and Strong Institutions						✓			✓	✓
17 Partnership for the Goals						✓			✓	✓

EIC's Infrastructure Value Proposition

The global construction industry employs approximately 7% of the global workforce and it is predicted to account for approximately 13% of GDP by 2020. The construction sector generally, and European international contractors specifically with their world-wide operations, provide tens of thousands of decent jobs and are a major positive force for economic and social development. Thus they contribute significantly to the achievement of the **SDGs 1 [No Poverty]** and **2 [Zero Hunger]**.

Due to the very nature of the construction business, European international contractors and their partners world-wide contribute further directly to the **SDGs 6 [Clean Water and Sanitation]**, **7 [Affordable and Clean Energy]**, **9 [Industry, Innovation and Infrastructure]** and **11 [Sustainable Cities]**. With an accumulated total international construction turnover of around €170 billion in 2016, European international contractors are present in all corners of the world where they are active in bridging the global infrastructure gap.



By building transmission pipelines, distribution mains, irrigation canals, desalination and drinking-water treatment plans, water pumping stations, sanitary and storm sewers, treatment plants, industrial waste facilities, etc., European international contractors help to achieve universal and equitable access to safe and affordable drinking water and sanitation for all. Their expertise supports improving the water quality, e.g. by reducing pollution, eliminating dumping and minimising the release of hazardous chemicals and materials.



By building onshore and offshore wind farms, solar power stations, geothermal, hydroelectric and waste-to-energy power plants, European international contractors help to ensure universal access to affordable, reliable and modern energy services and to substantially increase the share of renewable energy in the global energy mix. Their expertise supports doubling the global rate of improvement in energy efficiency.



By building quality roads, railroads, bridges, tunnels, airports, ports and other marine facilities, etc., European international contractors help to provide reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. Their expertise supports inclusive and sustainable industrialisation and facilitates the integration of local enterprises into global value chains and markets.



By building energy-efficient government offices, residential and commercial buildings, educational facilities, hospitals, urban transit railway systems, etc., European international contractors help to make cities sustainable by providing access to public transport, creating green public spaces, and improving urban management in a way that is both participatory and inclusive. Their expertise supports the reduction of the adverse per capita environmental impact of cities.

WE VALUE OUR PEOPLE

As European international contractors, we are aware that the basis for our performance and success is the **People** we employ. We foster a solid and safe environment for personal and professional development based on respect for diversity and equal opportunities. We encourage new initiatives for talent development and management and promote competitive remuneration policies structured around equity. Our goal is to become an attractive place for our workforce so that our employees may progress both individually and professionally anywhere in the world.

By offering attractive **Labour Conditions** to our workforce, including state-of-the-art **Health & Safety** conditions, and by respecting the **Human Rights & Diversity** of all our employees, irrespective of age, gender, sexual orientation, disability, race, ethnicity, origin, religion or economic or other status, whether in the European headquarters or in our foreign subsidiaries, we make a prominent contribution to the following Sustainable Development Goals:



SDG 3
Ensure healthy lives and promote well-being for all at all ages



SDG 4
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 5
Achieve gender equality and empower all women and girls



SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 10
Reduce inequality within and among countries.



Labour Conditions

A positive work environment, employment creation, social protection, rights at work and social dialogue represent integral elements of the new UN 2030 Agenda for Sustainable Development. Construction is a labour-intensive industry and competent and motivated employees are a key asset for any construction company. In a world in which the workforce is increasingly mobile, offering progressive labour conditions to all employees is an essential means to attract the best talent to the construction industry.

Whilst a number of advanced economies are currently experiencing a downward trend on salaried employment where employers are facing difficulties in encouraging new entrants to the industry, informal employment continues to be common in emerging and developing economies and, at the bottom of global supply chains, very short-term contracts and irregular hours are becoming more widespread.

European international contractors believe in the protection and promotion of workers' rights and are committed to providing an attractive working environment for their entire workforce.

THE EIC PERSPECTIVE

As European international contractors, we commit to protect labour rights and provide decent work conditions for our workers, including migrant workers, in particular women migrants, and those in precarious employment. This protection will include recruiting and employment processes, working hours, leave, compensation, working conditions, accommodation and the end of their services. Likewise, in the same circumstances and territories, we ensure that workers receive equal pay for equal work and we work with the aim to offer – at the lowest level – a living wage.

We attach great importance to the fact that our local subsidiaries and affiliated companies go beyond merely observing the local labour laws but comply with ILO core labour standards. This is why we do not tolerate child labour or any form of exploitation of young people nor any form of forced labour and promote gender equality. We also respect the right of workers and employees to establish in accordance with the local law associations or organisations of their own choice for the purpose of protecting their interests and their right to join or leave such associations or organisations.



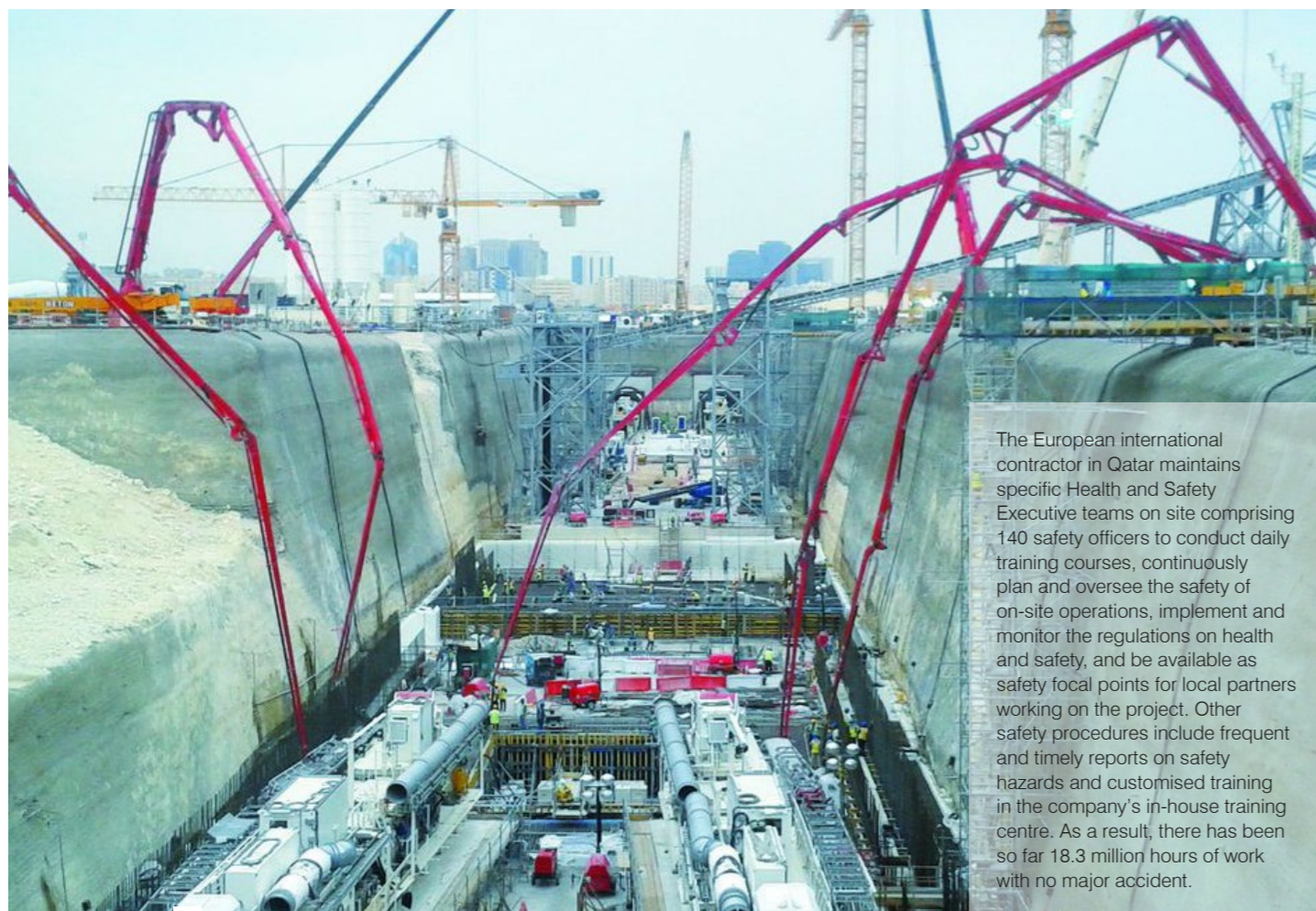
Traditionally, in large-scale construction projects, skilled and semi-skilled construction workers are accommodated in labour camps. By contrast, the European international contractor provided on a project in Jebel Ali, UAE, a modern worker accommodation facility for its workforce. Accommodating approximately 600 people in 162 rooms, the accommodation offered the workforce a better quality of life than traditionally seen. All employees benefit from onsite canteen facilities, communal rooms for recreation (TV room), laundry facilities and prayer rooms as well as a first aid facility for basic health care.



When designing and constructing a turnkey water treatment plant for the national water supply and drainage authorities in Colombo, Sri Lanka, the European international contractor took all necessary precautions to observe compliance with the ILO core labour standards. Child labour, forced labour or any form of exploitation of young people were banned and gender equality was promoted.



Temperatures in excess of 40 °C with humidity regularly of 45% and above during the summer months pose unique health and safety issues in Qatar. In dialogue with its employees and subcontractors, the European international contractor identified the main project. The company set up a "Beat the Heat" campaign that included a range of measures such as introducing a heat index and instructions about when particular activities were no longer safe and had to be postponed. The company also brought in cooling jackets for the engine rooms and hydrating supplements were distributed to include in the drinking water to prevent dehydration.



The European international contractor in Qatar maintains specific Health and Safety Executive teams on site comprising 140 safety officers to conduct daily training courses, continuously plan and oversee the safety of on-site operations, implement and monitor the regulations on health and safety, and be available as safety focal points for local partners working on the project. Other safety procedures include frequent and timely reports on safety hazards and customised training in the company's in-house training centre. As a result, there has been so far 18.3 million hours of work with no major accident.



Health and Safety

THE EIC PERSPECTIVE

The building and construction industry is a high-hazard industry suffering from a greater number of work accidents compared to other industries. The most common accidents in the building and construction industry are falls from height, e.g. from roofs, scaffolding or ladders, or at ground level when walking on slippery or uneven surfaces, and accidents with power tools or machines.

The occurrence of unskilled migrant workers moving to poorly regulated construction sites is not restricted to developing countries but is also present in emerging markets and even in the developed world. Such workers may be subject to exploitation in terms of low wages as well as weak health and safety standards. Workers in vulnerable forms of employment are typically subject to high levels of precariousness, e.g. they often have limited access to contributory social protection schemes.

As European international contractors, we consider the safety and wellbeing of our employees as one of our core values and our ultimate target is zero accidents and zero health hazards during the construction of our projects. A strong safety record enables us to retain skilled workers and employees, enhance our reputation and reinforce our competitiveness. We embrace our responsibility and understand a conducive safety culture is a company-wide effort comprising top management as well as work supervisors and individual workers on the job site. This accountability for the safety of our workforce not only applies to our project sites but also any accommodation facilities in which our employees reside.

We provide suitable and appropriate training and preventive awareness to all the employees and subcontractors. Additionally, we promote the health and safety of our staff by raising awareness, launching health and exercise programmes and – where necessary – providing vaccinations and screenings. With a steady focus on education, we continuously improve our operation practices and update our internal safety standards.

European international contractors aspire to establish a 'zero harm culture' and to create a working environment in which job-related illnesses and accidents are eliminated as far as possible.



Human Rights and Diversity

International human rights treaties generally do not impose direct legal obligations on business enterprises. Instead, it is the duty of states to translate their international human rights law obligations into domestic law and provide for their enforcement. Whilst the laws of all states include various protections against human rights abuse by business, including labour laws, non-discrimination laws, health and safety laws, environmental laws and similar, they may not address all internationally recognised human rights, they may not apply to all people or they may not be enforced by governments and the courts.

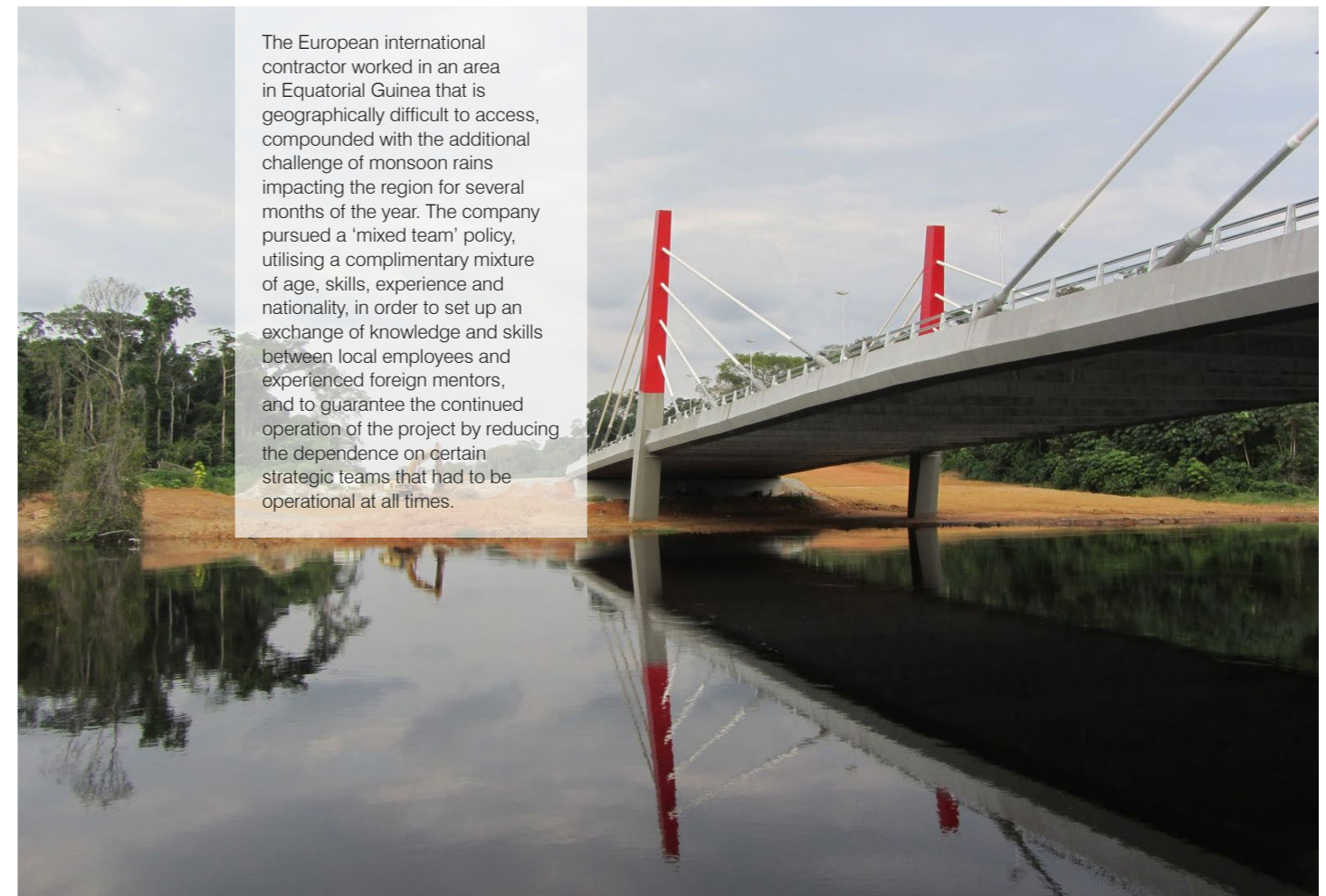
The construction industry, in general, advances economic and social development and human rights by bringing energy, mobility and water supplies to poor communities. At the same time, construction activities – as with any entrepreneurial activity – can also be involved in negatively impacting human rights and diversity. It is therefore necessary that all enterprises, large or small, national or multinational, state-owned or private, individually implement due diligence procedures to identify adverse human right impacts within their scope of operation. This is all the more important when the legal framework of a country in which they operate is insufficient to ensure human rights' protection.

European international contractors comply with the fundamental human rights contained in international conventions, programmes and standards and expect business partners to undertake the same commitment.

THE EIC PERSPECTIVE

As European international contractors, we traditionally cultivate a culture of diversity within our companies as well as on individual construction sites. We are proud of our capability to administrate an unprecedented level of multi-cultural collaboration on international construction sites and we believe that the diverse backgrounds, experiences, skills and ideas of our employees contribute to creativity and innovative solutions. Our decisions about recruitment, hiring, training opportunities, compensation, development and promotion are based solely on a person's ability, skills, experience, behaviour, performance and potential.

We are committed to actively preventing human rights violations and promoting the fundamental human rights and freedoms, including the social, economic and political inclusion of everyone as well as reducing inequality and empowering women. We undertake to collaborate effectively to detect, correct and sanction any type of discriminatory behaviour. To this end, we dedicate specific internal channels of communication governed by the principles of confidentiality, transparency, objectivity, impartiality, speed and respect for the privacy and dignity of staff.



The European international contractor worked in an area in Equatorial Guinea that is geographically difficult to access, compounded with the additional challenge of monsoon rains impacting the region for several months of the year. The company pursued a 'mixed team' policy, utilising a complimentary mixture of age, skills, experience and nationality, in order to set up an exchange of knowledge and skills between local employees and experienced foreign mentors, and to guarantee the continued operation of the project by reducing the dependence on certain strategic teams that had to be operational at all times.



CAMP

The European international contractor coordinated on the project in Saudi Arabia more than 600 employees from 22 nationalities. More than 500 lived in the worker accommodation, which was in fact a small town covering approximately 90,000 m², consisting of housing, public buildings, commercial facilities, sports, entertainment and worshipping facilities as well as medical, security and cleaning services. The company ran an internal self-assessment of human rights compliance encompassing the principal human rights that companies must respect and monitor to ensure compliance by their suppliers and partners.

WE VALUE OUR PLANET

As European international contractors, we are fully aware that our operations have an ecological footprint that is significant for our **Planet** which needs to be minimised. Each construction stage – design, construction and operation – has an associated environmental impact, from the effects of material extraction through dust, emission and other types of pollution, via processing and production of assembly parts, transport and construction itself. The ecological footprint can best be influenced and mitigated during the design stage of a project. This includes the preparation of environmental action plans but also adopting innovative concepts from the circular economy that focuses on the use of assets instead of property, reuse of components, recycling of materials (including cradle-to-cradle) and clever use of the forces of nature aiming at preventive measures.

By **Greening our Operations and Conserving Resources** through construction technologies and processes that are environmentally responsible and resource-efficient and by **Adapting to Climate Change** and making our construction activities more energy efficient as well as resilient to climate threats, we make a prominent contribution to the following Sustainable Development Goals:



SDG 12
Ensure sustainable consumption and production patterns



SDG 13
Take urgent action to combat climate change and its impacts



SDG 14
Conserve and sustainably use the oceans, seas and marine resources for sustainable development, desertification, halt and reverse land degradation and halt biodiversity loss



SDG 15
Protect, restore and promote sustainable use of terrestrial eco-systems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss





Greening Operations and Conserving Resources

Global population is predicted to rise to more than eight billion within the next decade. In addition, developing countries industrialise rapidly which causes a dramatic increase of global demand for natural resources. Together this will lead to intense pressure on global eco-systems and the supply of natural resources.

The construction sector typically has a fragmented and complex supply chain consisting of mostly small and medium sized enterprises. There is often little motivation for change, particularly where the supply chain itself does not realise the benefits. Therefore, large stakeholders on the demand and the supply side have a particular responsibility to coordinate action. Contractors need to take into account supply challenges and potential price volatility as a result. This represents not only a potential threat, but also a business opportunity since the expected resource scarcity requires investments in 'green' and sustainable technology, innovation leading to substitute materials and recovering materials from waste. Ultimately, this may result in new business models based on the circular economy instead of linear economy.

European international contractors have the expertise to use construction methods with a minimal environmental impact and to minimise all forms of waste and maximise the reuse of materials.

THE EIC PERSPECTIVE

As European international contractors, we bring in our know-how in sustainable construction methods to reduce the use of energy in existing buildings and infrastructure while continuously developing more low-emitting and resource-efficient products and services to make our industry less dependent on fossil fuel. For instance, the reduction of water consumption is receiving increasing attention through implementing technologies that contribute to saving water in existing utilities and reducing our water footprint. All our employees are required to prevent and counter harmful repercussions on the environment by means of measures undertaken in the spirit of sustainability and to treat natural resources prudently.

We have good tools to analyse the environmental aspects already during the design phase of our projects. As we invest in 'green' sustainable technology, we encourage our clients, subcontractors and suppliers to adopt life-cycle perspectives for their construction projects. Whenever the tender procedure allows us to be innovative, we can provide solutions to reduce the adverse per-capita environmental impact of cities and human settlements. In this respect, we can also advise and support clients across the globe to move towards more sustainable patterns of consumption and production.



At a certain moment, vessels become technically, commercially or economically obsolete or they no longer satisfy the user requirements, statutory or regulatory standards. The European international contractor ensures that its vessels are sustainably dismantled and recycled according to the agreements laid down in the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Vessels.



This water treatment plant built by a European international contractor in Oman is a unique model treating 115,000 m³ per day of produced water. The overall area of the wetland, planted with a variety of endemic wetland plant species, is approximately 360 hectares (ha). Treated water from the wetland is then evaporated in 520 ha pond areas for future salt recovery in order to reuse the salt for drilling operations in the oil fields of Oman. The facility has become a rich eco-system in the Sultanate of Oman attracting more than 120 bird species every year.



To ensure the best possible coexistence with the environment during the four-year construction period of this transport project in Australia, the European international contractor took a series of preventive measures. First, an acoustic shed was built to reduce the noise generated during the excavation works. Then a 500 m long conveyor belt was installed to evacuate the spill from the drilling, avoiding the need for over 187,000 lorry journeys to transport the rubble to a nearby quarry. This avoided the emission of over 1,000 metric tons of CO₂ to the atmosphere. Noise pollution, as well as the impact of dust on local vegetation, was thus drastically



Adapting to Climate Change

THE EIC PERSPECTIVE

As a consequence of climate change, the frequency of extreme weather conditions, such as heavy rain and extreme temperatures, are likely to increase in the future. The construction supply chain is an energy-intensive industry and responsible for an important part of CO₂ emissions when considering the whole supply-chain of world industry. A significant volume of CO₂ is emitted during the manufacturing of construction equipment and materials and during transportation to the site. The amount of energy and number of materials consumed during the construction process itself and over the lifetime of the building or infrastructure facility is also considerable.

As European international contractors, we take the signals of climate change with the utmost seriousness and build climate change considerations into the design of new construction projects, particularly those with a design life extending to decades – a process often referred to as ‘climate-proofing’. We prefer to use low carbon over high carbon materials and products with Environmental Product Declarations and encourage our suppliers to develop the quality and use of recycled materials and construction products. We promote the circular economy and reduce the amount of waste on our construction sites as a way to achieve resource efficiency and increase energy efficiency in the construction process.

Year on year, indicators show that levels of greenhouse gas emissions responsible for climate change continue to rise, that increasingly significant losses in bio-diversity have been observed and that there is a growing imbalance in eco-systems. Extreme weather situations, which are also the consequence of climate change, involve snow, ice, fog, hail, heat-waves, storms, intense rainfall, floods, low river levels or heavy seas which all can interfere with road, rail, water and air transport in all world regions.

In order to avoid the risk that global energy use for building and infrastructure will grow at a pace matching population growth and increasing household wealth, we heighten our focus on investment. In this context, our emphasis will be on continuing to develop our products, services and infrastructure projects and adapting to the negative effects of long-term environmental impacts, e.g. within wastewater handling and coastal and harbour protection.



On this building project in the UAE, the European international contractor chose an energy saving construction method through various means of energy conservation, water recycling and material resource management. The results showed a 40% reduction in annual energy consumption, reduction of the peak external heat gain by approximately 70%, water use reduction by over 50% and a waste diversion of approximately 50%. It has been the first development to receive the highest five Pearl design rating under the Emirate's sustainable building guidelines, which is broadly comparable to the international LEED certification standard.

European international contractors can provide new ‘climate-friendly’ solutions and technologies in relation to their own operations but also for society to adapt to climate change.

WE VALUE PROSPERITY

As European international contractors, we consider our construction projects as an opportunity to create **Prosperity** for all stakeholders. Wherever we operate, we strive to produce added value by progressing on an economic, social and technological level of our projects for the benefit of our clients, our employees and the communities in which we work. The project-based nature of the construction business necessitates our involvement on local or regional level helping us create win-win-relationships with our stakeholders. For local communities, the lasting infrastructure works not only create an improvement in their daily lives, they also provide job opportunities during project implementation and afterwards during operation and maintenance.

By **Engaging our Stakeholders**, by **Creating Added Value in the Local Communities** and by providing **Continuous Learning and Transfer of Know-how**, we make a prominent contribution to the following Sustainable Development Goals:



SDG 4
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 10
Reduce inequality within and among countries



SDG 12
Ensure sustainable consumption and production patterns



SDG 16
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



SDG 17
Strengthen the means of implementation and revitalise the global partnership for sustainable development



Engaging our Stakeholders

Construction projects usually involve a large number of different stakeholders such as clients, contractors, subcontractors, residents and regulatory boards. Therefore, collaboration lies at the heart of every construction project and engaging all stakeholders is essential in order to set up the construction production process and to commonly work on achieving the best results possible. Consultations with stakeholders, for instance, essentially contribute to the systematic evaluation of projects' economic, social and environmental impact.

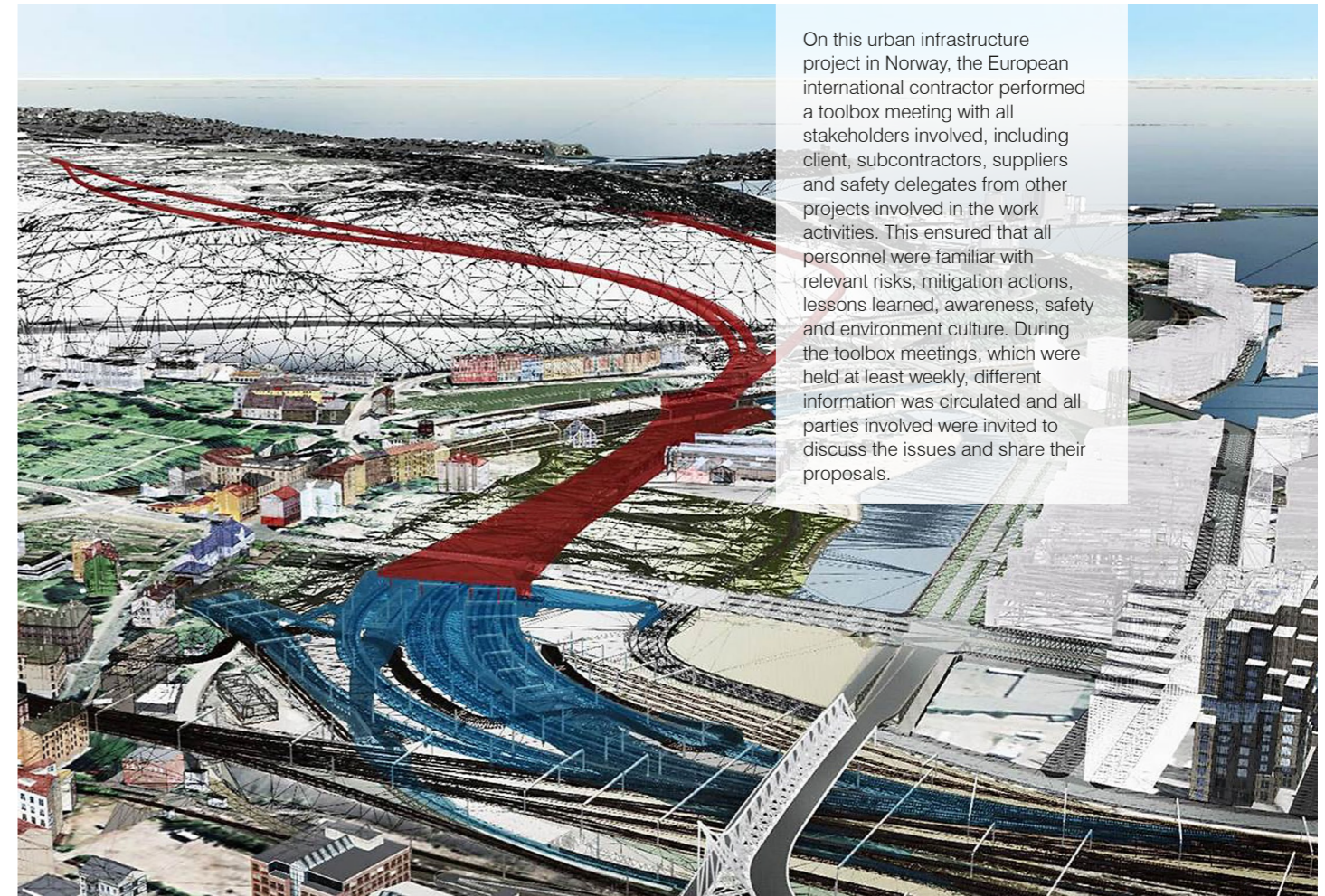
The construction industry shows many successful examples of stakeholder relations characterised by respectful and transparent collaboration bringing prosperous results for all parties involved. However, there are also construction projects still suffering from poor collaboration practices, in particular due to the lack of joint planning and design. It should also be mentioned that, during implementation, contractors are often held responsible for mistakes that have been made in earlier phases when they had not been involved.

THE EIC PERSPECTIVE

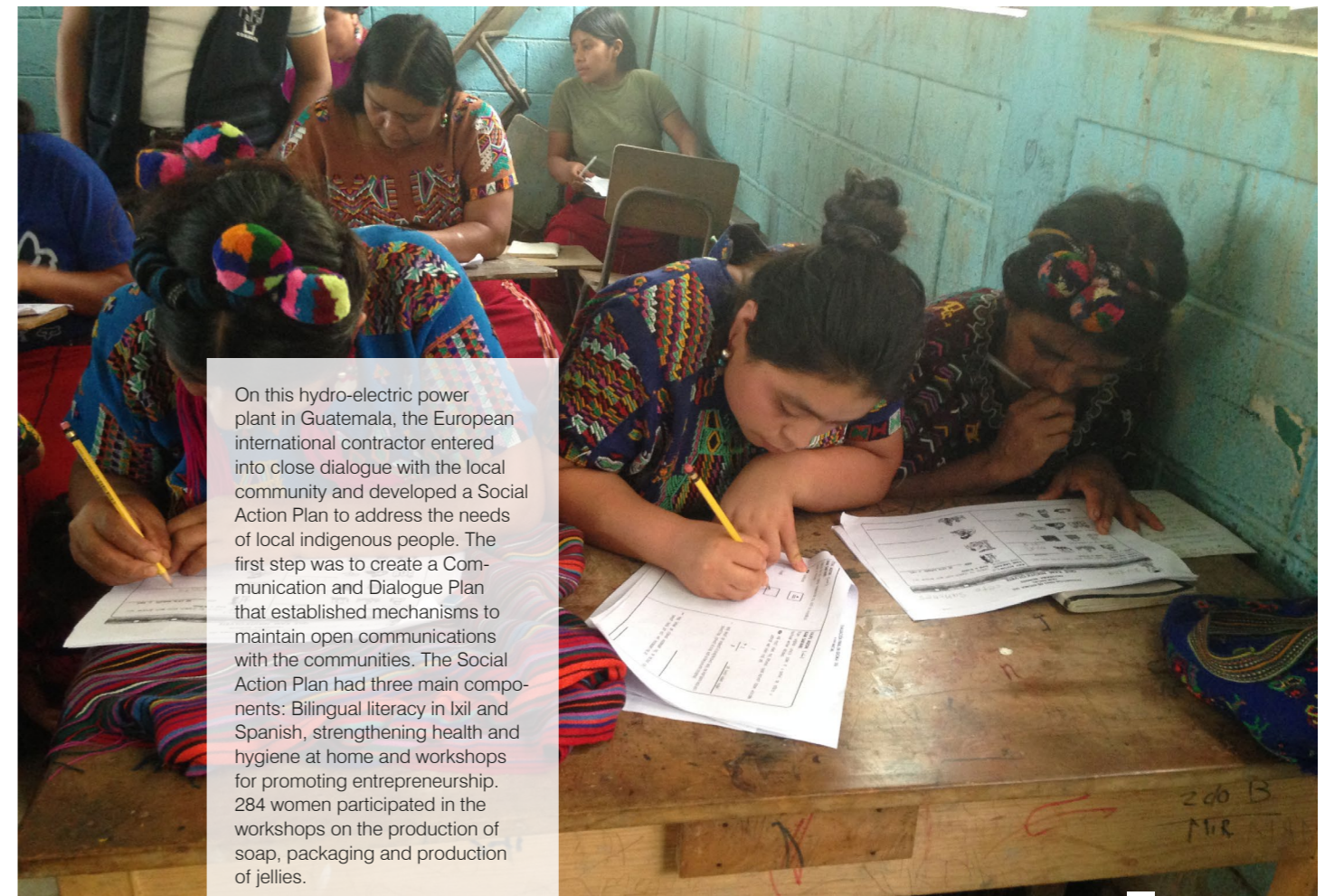
As European international contractors, we attach great importance to establishing and promoting meaningful stakeholder relations - externally or internally, across organisational boundaries and across countries. To our companies, stakeholders are any individuals or organisations that affect and/or could be affected by our business activities. In order to engage in good stakeholder relations, we promote forms of contract fostering partnership-based working relationships characterised by honesty, esteem and trust. Moreover, we use Building Information Modeling (BIM) and other new technologies to facilitate cooperation and to find innovative solutions to technical and other challenges that present themselves in our daily business.

We regard stakeholder engagement as a powerful source innovation in order to meet current and future expectations as well as the interests of the whole society. Direct dialogue and other forms of engagement enable our companies to identify and respond to sustainability issues and concerns – way beyond the demands of specific construction projects. We believe in combining our strengths, knowledge and experience and through aligning our business values, strategy and operations with the economic, social and environmental needs of all our stakeholders, we can create a competitive advantage.

European international contractors recognise their responsibility to engage in active dialogue with all local and international stakeholders to ensure that their international operations are aligned with local requirements.



On this urban infrastructure project in Norway, the European international contractor performed a toolbox meeting with all stakeholders involved, including client, subcontractors, suppliers and safety delegates from other projects involved in the work activities. This ensured that all personnel were familiar with relevant risks, mitigation actions, lessons learned, awareness, safety and environment culture. During the toolbox meetings, which were held at least weekly, different information was circulated and all parties involved were invited to discuss the issues and share their proposals.



On this hydro-electric power plant in Guatemala, the European international contractor entered into close dialogue with the local community and developed a Social Action Plan to address the needs of local indigenous people. The first step was to create a Communication and Dialogue Plan that established mechanisms to maintain open communications with the communities. The Social Action Plan had three main components: Bilingual literacy in Ixil and Spanish, strengthening health and hygiene at home and workshops for promoting entrepreneurship. 284 women participated in the workshops on the production of soap, packaging and production of jellies.



Many European international contractors support civil society activities in developing countries. As such, European international contractors working in Senegal provide human and material resources for the construction of medical facilities, as well as conducting AIDS prevention campaigns among employees, subcontractors and people living in the vicinity of work sites concerned. On this building project, the European international contractor also promoted education in deprived areas by allowing the local population to have decent school infrastructure and stationery.



On a sewer and storm water system project in Colombia, the European international contractor carried out institutional work with the participation of the community, such as a joint project between employees, contractors and suppliers to develop a storybook for children. The money raised was donated to civil society organisations dedicated to helping disadvantaged and socially excluded children to assist with much required education, food and medical expenses. The company also undertook a training programme in sustainability, sewer systems and the preservation of water resources for school children located in the surrounding worksite location.



Creating Added Value in the Local Communities

THE EIC PERSPECTIVE

Construction projects are generally unique in nature because of their fragmentation, processes and interaction with numerous parties. The lengthy process of design and execution of construction projects constitutes a complex system, which involves collaboration and negotiations among many stakeholders which may include but is not limited to the clients, designers, contractors, local authorities and the general project environment.

Consequently, if not well prepared and managed, infrastructure projects can have a detrimental environmental and social impact which can seriously affect local communities. If the consultation of local communities is omitted or does not occur at an early stage, it can lead to unforeseen adverse effects that can threaten both the development of the project and the well-being of the local population. It is therefore important that construction projects are designed and implemented in an inclusive manner taking into consideration the expectations and concerns of the local communities ensuring added value for all the stakeholders.

As European international contractors, we aim to become fully integrated in the social and economic environment of the project site, whether we operate in a foreign country on a temporary basis, or through a permanent local subsidiary or affiliated company. For instance, we foster the use of local resources based on adapted engineering and we train our local staff to a maximum content. We respect the traditions, cultures and laws of the countries of operation and take into account the concerns of the wider community, including both national and local interests. We mitigate the temporary inconvenience brought to nearby residents and we become active members of local communities' trade organisations.

We develop education campaigns that benefit the entire local community relating to issues such as road safety, waste collection, hygiene and health. We also develop specific actions for women and children as well as for marginalised people. In pursuing long-term economic and social objectives, we share the outcomes of our companies with the community at large. In several instances, we have created dedicated foundations or support selected organisations and institutions with humanitarian, social, charitable, educational or cultural goals.

European international contractors understand that business and social values are inextricably linked and measure performance not only in financial terms but also based on achieving additional social and community value.



Continuous Learning and Transfer of Know-how

The construction industry is particularly intensive in human resources and is a major global employer. With few exceptions, construction is always a local business – as its products cannot be exported – and, therefore, their delivery should evidently involve local content whenever possible. The widening of the scope of work to include future commissioning and maintenance usually implies training and collaboration with local partners.

Thus, continuous learning and transfer of know-how lies at the heart of the long-term vision of international companies to capacity building of local workers and future partners. The training of local workers contributes to increasing the education level in the project country and to generating socio-economic benefits. In addition, the strengthening of entrepreneurial networks through the know-how transfer to local subcontractors and training of the local management also contributes to reducing inequalities within countries.

European international contractors attach great importance to a knowledge-based, skills-transfer philosophy within our workplaces enabling career development and life-long learning.

THE EIC PERSPECTIVE

As European international contractors, we are facing challenges to retain current employees and develop their competencies, while traditionally outsourcing positions to the local workforce. Therefore, it is not only the partner countries' or clients' interest, but also our own interest, to hire our workforce locally and provide them with tailored on-the-job training focusing on the volume of training hours and the percentage of people trained. We are in favour of the insertion of training clauses in our international contracts as a way to ensure the quality of training delivered and encourage certification by an independent body.

Besides providing tailored on-the-job training, we favour a 'mixed team' policy. Its main objective is to set up an exchange of knowledge and skills between local employees and experienced foreign mentors. This approach guarantees the continued operation of the project by reducing the dependence on certain strategic teams that have to be operational at all times. This policy is consistent with the promotion of innovative forms of contract for infrastructure works, which require that the local construction industry keep continuously abreast of new technologies and processes.



On this building project in Senegal, the European international contractor employed approximately 33% of the 1,200 workers from Senegal. Originally, the Senegalese workforce was mainly utilised for non-skilled works and were trained to have basic health and safety knowledge onsite and offsite. However, they progressively increased their professional skills through education and the skill-training provided by our member company. This had positive and tangible results as almost two years after this project, skilled Senegalese workers were re-employed for another company project, with 69% of the workforce onsite represented by Senegalese employees.



The European international contractor builds on a strong African management team, which can reach up to 75% in some affiliates. To promote competencies and to foster geographical mobility on the continent, the company transfers a significant degree of responsibility to its African employees with numerous leadership roles awarded to African talent from Branch Manager to Chief Financial Officer and Project Manager. In addition, some branch companies have developed different agreements with universities in various African countries and each year the company welcomes several African students as interns, working and graduate students.

WE VALUE RESPONSIBLE BUSINESS CONDUCT

As European international contractors, we are aware that our industry follows a more complex pattern than most others. Unlike mass production, the task of the construction industry is to produce almost every building or infrastructure project as a different unique prototype. Each individual project will be developed by a team of architects, designers, contractors, subcontractors and other suppliers that may never have worked together before, and may never work together again. To add to the complexity, the majority of clients are one-off clients, who are often acting in the role for the first and possibly the only time. The complexity of the construction business places high demands on contractors in managing their supply chain and adhering to the highest standards of business ethics. We acknowledge the need to implement adequate prevention and control mechanisms allowing us to expedite due diligence and live up to the respective responsibilities our clients expect.

By addressing the particular challenges of **Supply Chain Responsibility** and **Business Ethics**, we make a prominent contribution to the following Sustainable Development Goals:



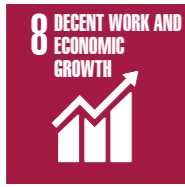
SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



SDG 17 - Strengthen the means of implementation and revitalise the global partnership for sustainable development



Supply Chain Responsibility

Construction activities are always a local business even if contracted and managed by an international contractor from a foreign country. Therefore, supply chain management and responsibility is a key concern for every international contractor when teaming up with local joint venture partners, subcontractors, suppliers and consultants.

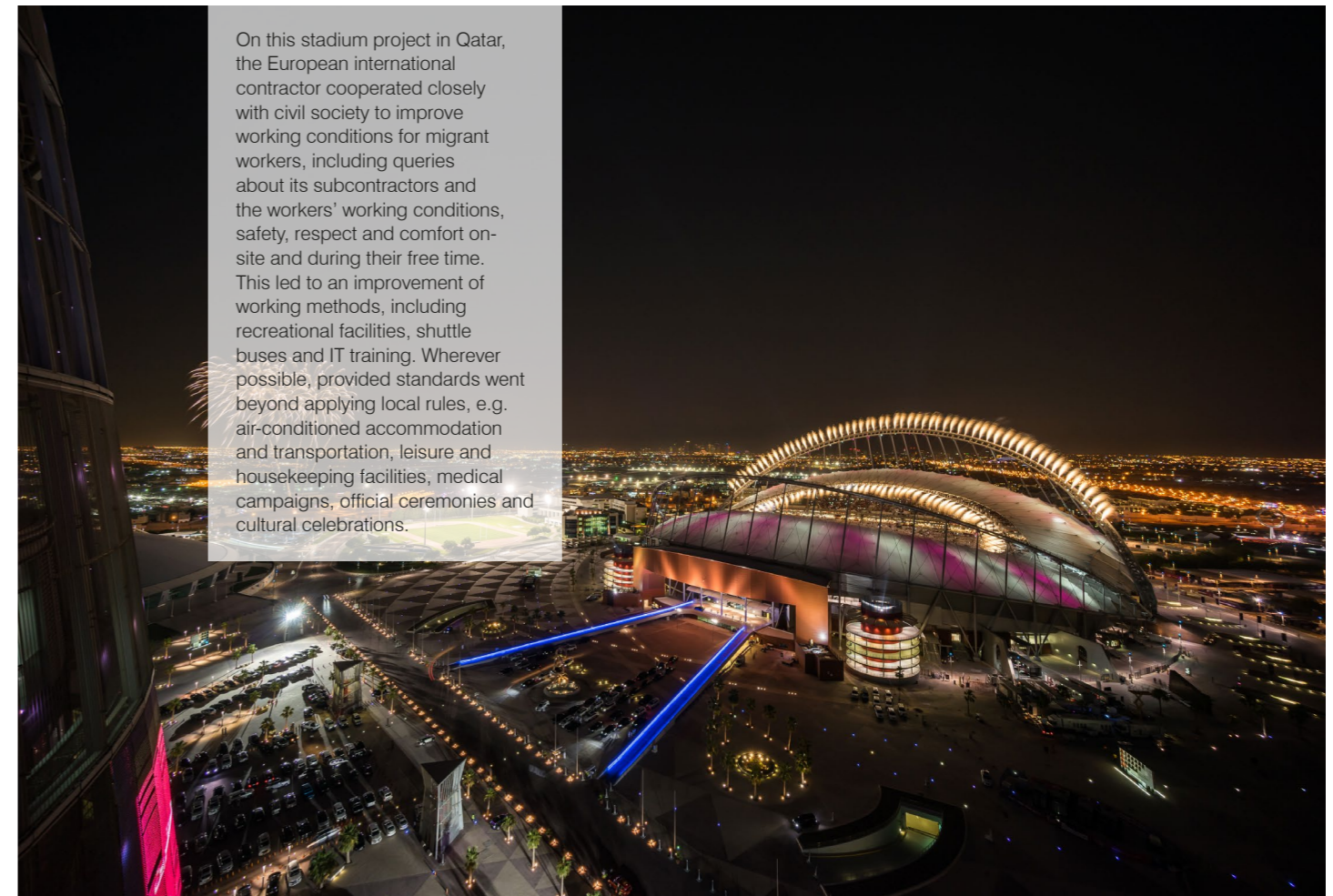
Local content in international construction projects is to be seen as a central value proposition, often required by public clients. It is therefore important to understand that international contractors are themselves subject to the local laws and customs and constitute only one element in the construction supply chain. In addition, they normally do not have the ability to influence what is happening up or downstream outside of the company.

THE EIC PERSPECTIVE

As European international contractors, we aim to maximise local sourcing in order to develop mutual long-term relationships with our local partners and to add social and economic value in the countries where we operate. Local suppliers, subcontractors and their workforce are among the main stakeholders in the international projects that we are delivering. In order to properly manage the risks and opportunities associated with the supply chain management, we develop long-term relationships with our local partners and seal them in framework agreements that align our CR commitments with those of our local partners. We further provide training to local subcontractors and suppliers with respect to health and safety measures and general labour conditions. To ensure the success of this objective, we arrange for due diligence of their intended suppliers and subcontractors before starting collaboration and include an evaluation process after completion.

As a federation, EIC supports the measures taken by Multilateral and Bilateral Development Banks to incorporate a robust set of environmental, ethical and social standards in their Standard Procurement Documents. We call on international clients to make good use of the ISO 26000 standard in order to draft socially responsible and sustainable procurement documents that create a level playing field in terms of supply chain management for all national and international contractors.

European international contractors are committed to lead by example and manage their supply chains ethically and with integrity while maximising local recruitment and material sourcing.



On this stadium project in Qatar, the European international contractor cooperated closely with civil society to improve working conditions for migrant workers, including queries about its subcontractors and the workers' working conditions, safety, respect and comfort on-site and during their free time. This led to an improvement of working methods, including recreational facilities, shuttle buses and IT training. Wherever possible, provided standards went beyond applying local rules, e.g. air-conditioned accommodation and transportation, leisure and housekeeping facilities, medical campaigns, official ceremonies and cultural celebrations.



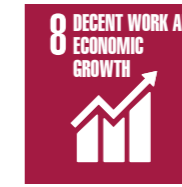
In collaboration with and as requested by the client, the European international contractor monitored international suppliers through audits of social responsibility, quality, the environment and the work environment. It applied a 12-month supplier-assessment audit cycle for all international suppliers delivering their projects, such as the office building "Mästerhuset" in Stockholm, Sweden. Audits were conducted together with the client either in-house or through third-party consultants. Serious supplier deviations that were not rectified after having been commented on led to the termination of the partnership.



This European international contractor ensures that every new employee, regardless of the geography and segment of operation, acknowledges the Code of Ethics and Business Conduct and abides by its principles and values. Within the principles and values contained in the Code of Ethics and Business Conduct the company has implemented specific training courses on compliance that are intended to provide employees with continuous technical and behavioural skills which are in force in the respective companies.



For its housing development projects in Russia, this European international contractor uses a harmonised tender process which gives equal, free and transparent access to interested purchasers. The company uploads its complete tender documentation on a public website and administrates a database for sharing information about purchases between company subsidiaries.



Business Ethics

THE EIC PERSPECTIVE

Unethical business practices, like fraud and corruption, in their diverse forms are an unacceptable phenomenon in national and international business transactions. They not only raise moral and political concerns, undermine good governance and distort international competition, they also have negative effects on business and society as a whole. They adversely affect work quality, economic efficiency and potentially damage the image and reputation of the whole contracting industry.

The construction sector is often described as particularly sensitive to the risk of unethical business behaviour given the many levels of delegated powers in the organisation of clients, subcontractors, suppliers as well as European international contractors themselves. This puts a high responsibility on individuals in charge on the site who are dealing with high cost values and are exposed to questionable proposals to influence one or another business process, from the tender stage through to acceptance and financial closing of any project opportunity.

As European international contractors, we realise the essential requirement to properly manage our exposure to corruption and related reputational risk. Whether on the national or international level, these issues can lead to disaster, not only project-wise but also on the stock exchange for listed investors. This is why we invest substantially in developing ethical policies, the adoption and publication of codes of ethics, personnel training and the application of internal and external control mechanisms to implement in-house corruption prevention systems. We have started to implement an irreversible process towards the elimination of corruption, which also includes a “zero tolerance” policy on unethical behaviour within the corporate sphere.

As a federation, EIC has participated in the elaboration of the ISO 37001 Anti-Bribery Management Standard and we have fully endorsed this tool to improve the performance of both clients and contractors in the field of business ethics. We are confident that this new standard will help the construction and other industries to implement effective anti-bribery management systems at a company level. However, public and private clients should also become certified under this new standard and they might require respective certification as a condition precedent for participation in their tenders.

European international contractors are trustworthy partners, acting with high ethical standards and transparency, and seek to do business with customers and partners who share these values.

With this publication, we have highlighted the important contributions that European international contractors can make amongst multiple stakeholders, including clients, contractors, subcontractors, employees and regulatory bodies to promote the UN 2030 Agenda for Sustainable Development.

We understand our relationship with society and the environment in which we operate as a critical factor in our ability to perform in a sustainable manner. When assessing and monitoring our CR strategies, we as European international contractors follow a wide range of international standards and guidelines to which we may be held accountable:

- The **BS OHSAS 18001** is an international standard that specifies the requirements for an occupational health and safety management system that enables an organisation to develop and implement a policy concerning occupational health and safety.
- The **Global Reporting Initiative's Sustainability Reporting Guidelines** is a tool which several European international contractors base their CR reporting on.
- The **ISO 9000** family addresses various aspects of quality management. For instance, ISO 9001:2015 sets out the requirements of a quality management system.
- The **ISO 14000** family of standards provides practical tools for companies to manage their environmental responsibilities. This includes internal environmental systems, labelling and life cycle analysis, as well as environmental challenges, such as climate change.
- The **ISO 26000** provides guidance on how businesses and organisations can operate in a socially responsible way.
- The **ISO 37001** on anti-bribery management systems specifies a series of measures to help organisations prevent, detect and address bribery. These include adopting an anti-bribery policy, appointing a person to oversee anti-bribery compliance, training, risk assessments

and due diligence on projects and business associates, implementing financial and commercial controls, and instituting reporting and investigation procedures.

- The **core labour standards** developed by the **International Labour Organisation**, such as the freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced and compulsory labour and child labour or the elimination of discrimination in respect of employment and occupation, set minimum standards applicable to every worker all over the world. Most of these principles are reiterated in the **ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy**, which constitutes a framework for the human resources management of European international contractors.
- The **UN Guiding Principles on Business and Human Rights** are a set of guidelines for States and companies to prevent, address and remedy human rights abuses committed in business operations. In this context, they avoid infringing on internationally recognised human rights as expressed in the International Bill and in the ILO Declaration on Fundamental Principles and Rights.
- Moreover, several European international contractors adhere to the **UN Global Compact** and commit to the dissemination and promotion of its 10 Principles in the areas of Human Rights and Labour Practices.

Outlook and Vision

In addition, we consider ourselves as pioneers in developing internal assessment tools in areas where there are currently no internationally agreed standards or methods yet, including the calculation of projects' greenhouse gas emissions on construction sites.

For those who wish to learn more, we encourage visiting the websites noted in this publication as well as the information released by individual European international contractors in the respective CR publications.

This EIC publication demonstrates that we – as European international contractors – are committed to the UN Sustainable Development Goals. As global shareholders and stakeholders progressively require enhanced transparency on CR matters, we encourage all European contractors as well as our international competitors from other world regions to respond to these elementary topics in their annual and/or sustainability reports. In the future, it might even become feasible to develop a global standard reporting format and to define key performance indicators (KPI's) to facilitate reporting.

The construction industry remains an exciting and challenging industry. As European international contractors, we will continue to contribute to global economies through the development of multiple infrastructure and building projects, pursue excellence in our operations and focus on our corporate responsibility commitments.

ACRONYMS

BS OSHAS	– British Standard Occupation Health and Safety Management Systems - Requirements
CO₂	– Carbon Dioxide
CR	– Corporate Responsibility
CSR	– Corporate Social Responsibility
EIB	– European Investment Bank
EIC	– European International Contractors (Federation)
ESS	– Environmental and Social Standards
EU	– European Union
GHG	– Greenhouse Gas
ILO	– International Labour Organisation
ISO	– International Organisation for Standardisation
MDB	– Multilateral Development Bank
NGO	– Non-Governmental Organisation
OECD-MNE	– Organisation for Economic Co-operation and Development guidelines for Multinational Enterprises
SDG	– Sustainable Development Goal
TFEU	– Treaty on the Functioning of the European Union
UN	– United Nations
UDHR	– United Nations Universal Declaration of Human Rights
UNGP	– United Nations Guiding Principles
WB	– World Bank

SOURCES

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Global Reporting Initiative www.globalreporting.org/Pages/default.aspx	International Bill and in the ILO Declaration on Fundamental Principles and Rights www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_467653.pdf
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CREDITS

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p. 14: PORR, Metro Doha Qatar

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p. 18: NASA

p. 22 ACCIONA Infraestructuras S.A., Legacy Way Tunnel, Brisbane, Australia

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p. 27: OHL S.A., Social Action Plan with Sotzil communities in Xacbal Delta hydroelectric power plant, Guatemala

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