

THE FOUNDATION AS AN ACTIVE OWNER

As the Foundation's chairman of the trustees, Flemming Bligaard Pedersen is still a central person at Ramboll. Get his view on the Foundation and why it is an important part of the Ramboll heritage.

What role does the Foundation play at Ramboll?

The Foundation was founded with the purpose of establishing a self-owned firm, an enterprise that should be governed by its employees. Or to put it metaphorically, a company owned not by external financial capitalists but by the internal, intellectual capital. Thus, the Foundation represents or manifests the idea of ownership by all the people in the company – the partners that are employed there and make their daily living and life through working with the company. As an enterprise-holding Foundation, we aim to be an active owner.

Who is the “Foundation”?

How the Foundation is manned and organised is defined by law and the Foundation's charter. The trustees constitute the Foundation board and are elected by two different constituencies. As the Foundation is incorporated in the kingdom of Denmark, employees must elect part of the board of trustees. The other part of the board is elected from among present or former managers by a self-supplementary procedure defined in the charter. The present trustees have their national backgrounds in Denmark,

Sweden, Finland and Norway. We are working on a plan to have wider geographical representation in future.

Who controls the Foundation?

Except for an obligation to comply with all legislation, and being under the supervision of a governmental office, the Foundation's board of trustees is only bound to the Foundation charter – not to any objective owner.

Can you briefly explain the content and meaning of the Foundation charter?

The charter can be said to be a brief description of the legacy from the founders. The Ramboll charter states that the principal purpose of the Foundation is to operate and develop the company in such a way that an optimal number of employees can experience an exciting and inspiring workplace in a long-term perspective. Secondly, the Foundation can support Research & Development within all our service areas; we can support aid work where people are underprivileged or affected by disasters; and, finally, we can also look after our employees and support them in special, critical situations, if needed.

You called it being “an active owner”. What does this imply?

In our governance model, it is extremely important to understand that the owner is not involved in daily operations. The Foundation board has decided that no trustees may serve on either the board of directors or the executive board. Thus, the model consists of three impartial and unprejudiced governance levels: The Foundation, the board of directors and the executive board. The Foundation represents the owners, and the other two other levels run the business according to the Nordic model for enterprise governance. To ensure professionalism, independence and external input in Ramboll's operation, the board of directors is primarily composed of externally recruited professionals from different industries.

But what do you mean by “active”?

Active means involved and engaged. But such involvement must be carefully structured and agreed upon to avoid chaos and misunderstandings. It would be impossible to recruit the best people for board of director positions if they found out that a rather detailed and unorganised intervention came from the owner side. In this case our Holistic Enterprise Model guides the collaboration and interaction between the three governance levels. Every year, the Foundation sets the overall priorities and aims for the focus areas of the model,



and these are fully communicated to the board of directors. The chairmanships of the trustees and board of directors have regular meetings, and the Group chairman together with circulating individual board members participates in the Foundation's regular meetings to ensure reporting and good communication. The Group Annual Report and the Annual Responsibility Report are also important elements in the formal communication between the governance levels.

Does this regular procedure also cover large cases like the latest acquisition?

We have special cases called Owners Affairs, which include major asset matters such as M&A, election of the board of directors, nomination of executives and substantial changes in strategy. In such cases we define a clear mandate within which the board of directors can operate, negotiate or make decisions. In such matters the trustees are currently kept informed according to the "grandfather's principle", meaning that they have all important information related to decisions to be taken by the board of directors.

How does the Foundation prepare and maintain itself for this active role?

Of course, we have regular trustee meetings, as described above, and

also an annual trustee seminar. But much of the daily work and activities actually occur in several Foundation committees covering all our focus areas: Company Fundamentals, Economy and Financials, Donations, Succession and Communication. This involves all the trustees and is also an opportunity to discuss and understand all aspects of our responsibilities and priorities.

Do you think employees are aware of this?

I am afraid not. But it is important that everyone knows the company's governance model, thus enabling us to avoid rumours and misunderstandings and, not least, to support the attractiveness of the model and its positive influence on the individual comprehension of the work situation. So the trustees must be better at communicating the good message, not least internally.

What are the active owner's challenges for the future?

Time passes. And the company grows. The more removed we become from the founders in time and as our company geography rapidly expands, the more it takes to maintain the One Company spirit and culture. So it is a great challenge to maintain the common company values and fundamentals. I consider this the glue that keeps us together, so it is a must. And I really hope that employees agree

that we all need to contribute to maintaining our culture. It proves to have created great results for us until now, so all evidence indicates that we should heavily focus on our common legacy as a platform for a bright, shared future.

Do you have a sense of expectancy for the future?

Our vision of a strengthened One Company can only become reality if we succeed in integrating all the newcomers in the best way. So, after a stage in which we have invited many new organisations to become part of "our family", we will focus heavily on the consolidation. The approved changes planned in many of the "old" country organisations in the coming year are a formidable and extreme challenge. I consider this year as quite crucial to our future.

Do you have a few personal considerations?

I am one of the now quite few left that worked closely with the founders for many years. They would have been happy and very impressed to realise what Ramboll has now grown into. I will spend my remaining time with the Ramboll Foundation trying from this position to strengthen the original intentions of our partnership and prepare the Foundation in the best possible way for future business challenges. ■

