

COMMUNICATION  
ON PROGRESS

2019

2019 UN GLOBAL COMPACT



COWI



< STRATEGIC PLAN FOR VITAL WATERCOURSE IN AFRICA

In 2019, a new strategic plan was approved aiming to enhance socio-economic development and sustainable management of the Zambezi Watercourse shared by Angola, Botswana, Malawi, Mozambique, Namibia, Tanzania, Zambia and Zimbabwe. COWI led the development of the plan – a crucial element to balance the need for economic growth and the increasing risk of droughts and floods.

Using a digital tool, the COWI team made a detailed socio-economic analysis for both historic and potential future climates, i.e. estimating the costs and economic welfare gains across various sectors, borders and stakeholders by modelling the water resources, and the agricultural and energy systems as an integrated system.

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# COMMITMENT FROM OUR CEO

In a world where growing cities and climate change are a reality, societies and customers need solutions that are effective and sustainable, and that enable quality of life for the entire community.

In COWI, sustainability is part of our vision and incorporated in our business model. Throughout our nearly 90-year history, we have been committed to delivering solutions with long-term societal, environmental and human interests in mind.

In 2019, climate change, urbanisation and their many associated effects continued to be frontpage news, and thus ever higher on the agenda of global leaders and businesses.

In COWI, we took several decisive steps to work actively with the UN's sustainable development goals and to contribute to a more sustainable society.

First, we decided to become carbon neutral in 2020 by funding a carbon-offsetting wind farm in Indonesia. The wind farm is a Gold Standard project, which is the highest possible classification.

Next step is to continue to deliver actual reductions. The target is to cut our carbon emissions by 70 per cent before 2030, compared to 2008 levels. An action plan for reaching our target is now being developed. In 2030, the remaining 30 per cent will be offset to stay carbon neutral in our own operation.

Second, we constantly work to further enhance impact on the SDGs through our services to customers. This part will have an increasing focus in coming years, because this is where we can make the greatest impact.

In 2019, we focused on SDG 13, *Climate Action*. In the coming year, we will follow up on progress and develop new initiatives, especially in relation to SDGs 6, 7, 9, 11 and 13, as these are the goals to which COWI can contribute the most.

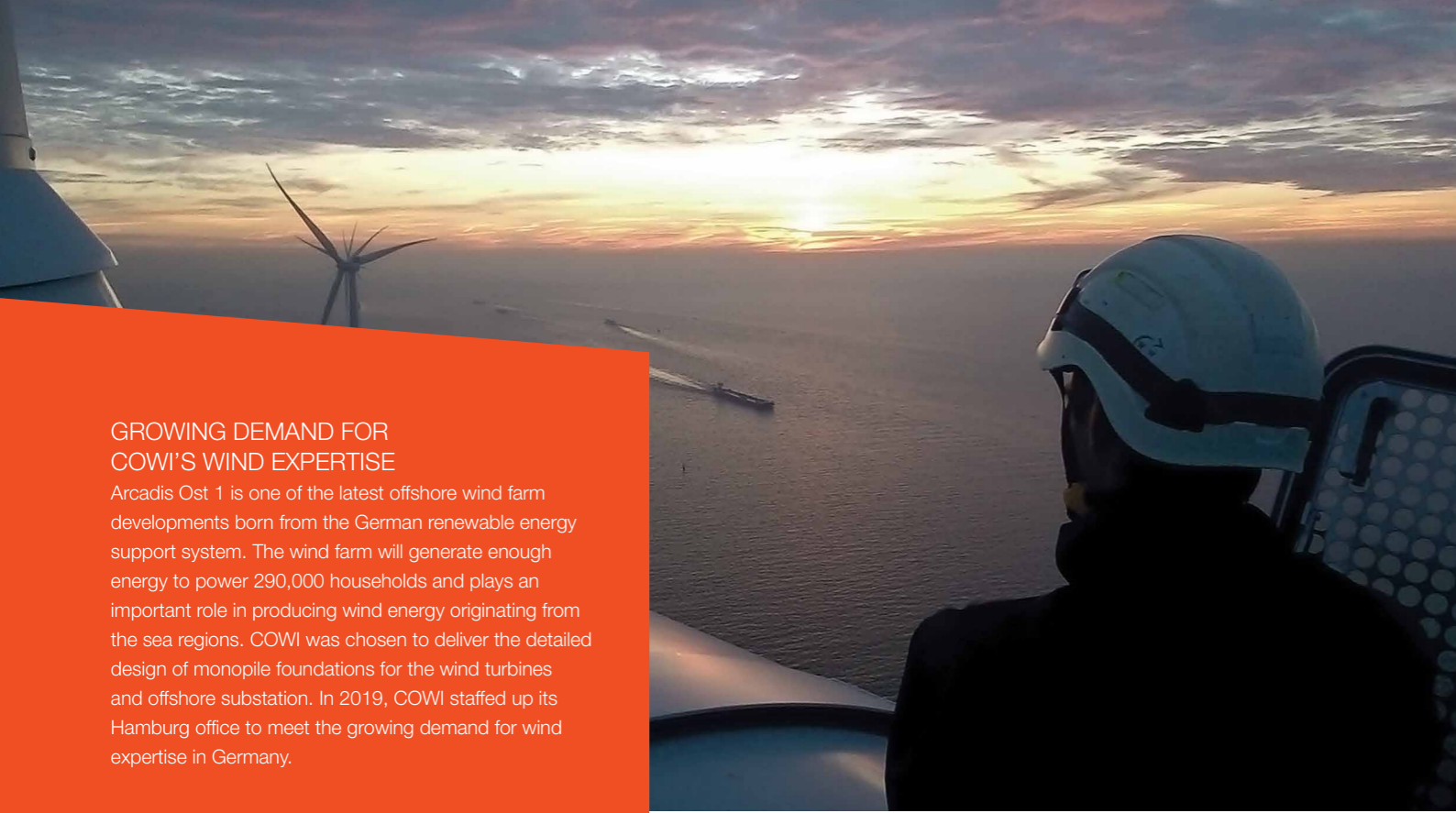
Sustainable growth is key to dealing with the challenges facing the global community these years. New legislation and voluntary standards will push the agenda further, and we welcome this development. It is important to a rising number of our customers and necessary for the future of the coming generations.

Thus, in our day-to-day business, short-term and long-term, we remain fully and continuously committed to the United Nations Global Compact and the sustainable development goals. This Communication on Progress report is produced with reference to the ten principles of the Sustainability Reporting Guidelines.



Lars-Peter Søbye, Chief Executive Officer





### GROWING DEMAND FOR COWI'S WIND EXPERTISE

Arcadis Ost 1 is one of the latest offshore wind farm developments born from the German renewable energy support system. The wind farm will generate enough energy to power 290,000 households and plays an important role in producing wind energy originating from the sea regions. COWI was chosen to deliver the detailed design of monopile foundations for the wind turbines and offshore substation. In 2019, COWI staffed up its Hamburg office to meet the growing demand for wind expertise in Germany.

# SUSTAINABILITY AND CSR IN COWI

## OUR APPROACH

Through our services, COWI contributes to sustainable development.

Our vision is to create coherence in tomorrow's sustainable societies, and it frames our approach to corporate social responsibility (CSR) and sustainability. Our constant ambition is to create value for our customers, key stakeholders, COWI and society. This we do by enabling our customers to meet their sustainability goals and thus make the societies in which we operate more sustainable and more liveable.

We have a three-pronged approach where we integrate CSR and sustainability into:

- › **Business conduct:** The way we carry out our own activities.
- › **Employee behaviour:** The way we behave at the workplace and our obligation to act.
- › **Business deliverables:** The way we ensure that the solutions we design for customers take environmental and societal impacts into consideration.

Our chief potential for living CSR and for reducing environmental impacts lies in our service delivery and in the solutions that we develop with and for our customers. This is where we direct our efforts, because projects providing sustainable solutions are our business.

Naturally, we also focus on the sustainable operation of our own facilities, and before 2030, we want to cut our carbon emissions by 70 per cent.

Our commitment to sustainability and corporate social responsibility is an extension of our fundamental values and mission. This commitment is furthermore reflected in our endorsement of the UN Global Compact as well as our support to the Code of Ethics of the International Federation of Consulting Engineers (FIDIC).

It is essential to COWI and to the realisation of our strategy that we are among the most

attractive employers for professionals looking for a career within the consulting engineering industry. To this end, we promote diversity and cultivate a culture with clear and high ethical standards. Both are critical to our efforts to attract talented candidates and retain outstanding professionals.

## SOLUTIONS MEET GLOBAL CHALLENGES

COWI supplies solutions, knowledge and ideas for development of the modern world and the challenges it faces – among these, achieving sustainable growth.

One set of challenges is related to the growing world population and to the increasingly high urbanisation rates across the globe with ensuing pressure on infrastructure, built environment, water and energy. These four sectors frame COWI's key services, which are instrumental in providing future and sustainable solutions to the challenges. For example, COWI's engagement in sustainable urban development planning as

well as metro, light rail and BRT (bus rapid transport) solutions exemplify our commitment to working for more sustainable mobility and liveability in cities.

Further challenges are climate change, environmental degradation and the increasing production of waste, which constitute threats that need to be overcome by, for example, low-energy buildings, security measures against adverse weather, and effective waste master plans.

In 2019, we consolidated our total capabilities within offshore wind in one entity.

The unit will ensure that we unite our outstanding capabilities across the COWI Group in our efforts to accelerate the green transition and be a preferred partner for customers within the wind market. The opening of an office in Taiwan and new and bigger office premises in Hamburg, Germany were other important steps on this strategic path.

COWI's specialist competencies and our engagement in societies' challenges

together with the commitment of our customers represent and sustain the creativity and innovation needed to meet these global challenges. This is the core of our services and our business model, and this is where we have the greatest opportunity to promote sustainability.

## POLICIES AND GUIDELINES

As an integrated part of our project and quality management system, we screen for health and safety, as well as for security and environmental outcomes of all projects carried out by COWI.

To formalise our focus, we have developed a number of policies and guidelines on sustainability and CSR, which set out the overall framework for how we work on a daily basis. These policies and guidelines are described in this report and underpin the strong correlation that exists between our values and our business practices.

This report serves as the required annual Communication of Progress for the United Nations Global Compact (UNGC). As such, its content is structured around

### AT THE END OF 2019, COWI HAD POLICIES COVERING THE FOLLOWING AREAS:

- › Sustainable development
- › Transparency and anti-corruption
- › COWI Whistle-blower hotline
- › Business integrity
- › Diversity and inclusion
- › Occupational health and safety (OHS).

All policies are available at:  
<https://www.cowi.com/sustainability>

the ten UNGC principles and describes our activities regarding the environment, human rights, anti-corruption and social responsibility.

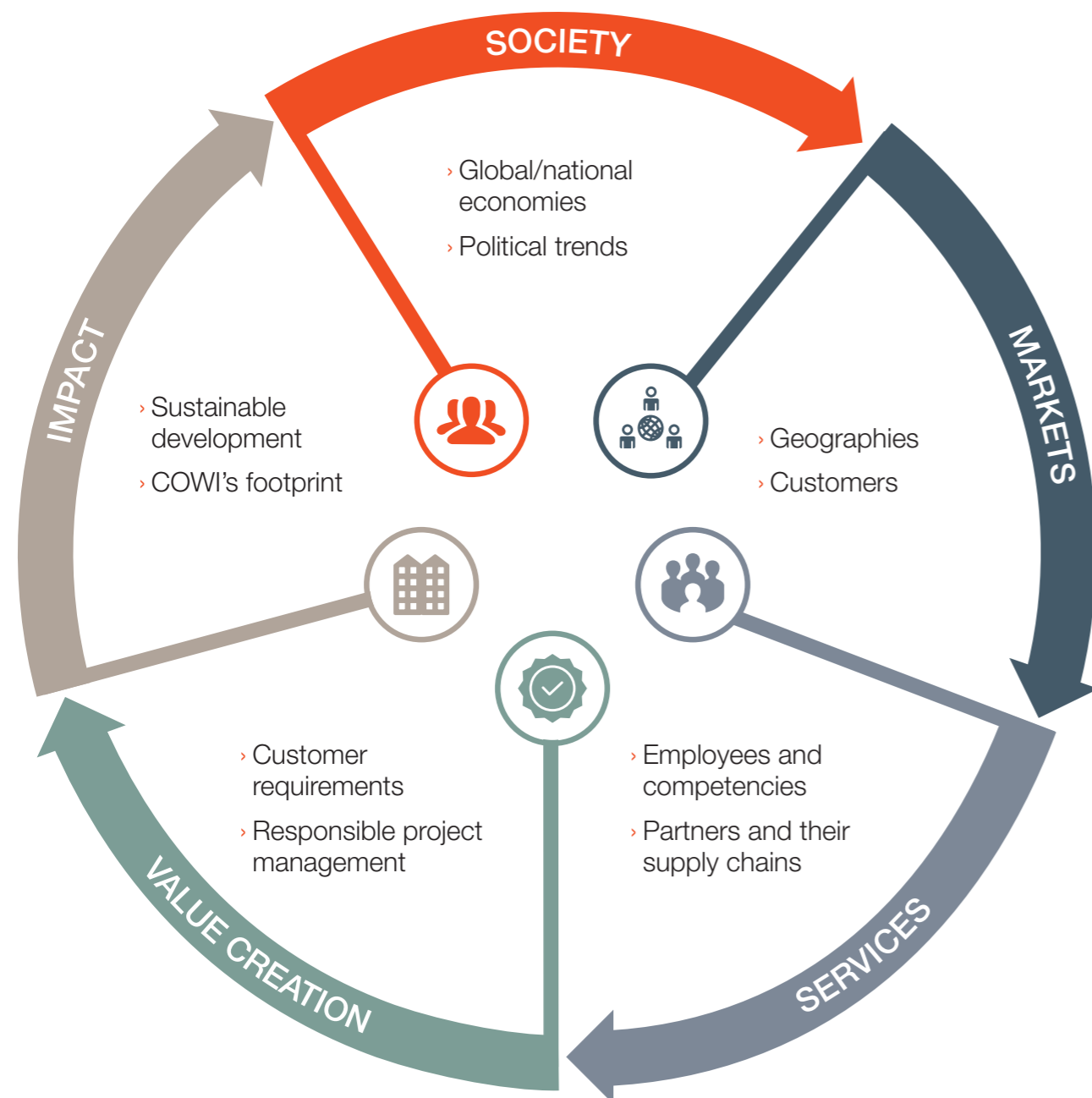
In addition, this report serves to meet the CSR requirements of Danish legislation. Thus, it presents our business model with the issues related to CSR. It explains how we handle the issues, and how we follow up on our CSR key performance indicators.

## ANOTHER STEP TOWARDS SUPPLYING GREEN FUEL

Preem, the largest fuel company in Sweden, is making big investments to convert its refinery in Gothenburg to process renewable raw materials. In 2019, it took yet another step, and further modifications and adaptations are being made to the refinery to enable it to produce more fuel from renewables. The company enlisted COWI to take charge of the project. Because the diesel is produced from renewable raw materials, it reduces the greenhouse effect if it replaces fossil-based diesel in cars and trucks. Preem's refinery produces diesel with up to 50 per cent renewable content.



# COWI'S BUSINESS MODEL AND CSR RISK ASSESSMENT



2018 was the first year that we reported on our business model and discussed the CSR risks involved. Therefore, 2018 is the baseline year for the 2019 COP report. In some

cases, we did not have figures from 2017 or 2018. In these cases, 2019 will serve as the baseline year.



## SOCIETY

GLOBAL/NATIONAL ECONOMIES and the POLITICAL ENVIRONMENT constitute the framework conditions for all aspects of COWI's market presence. The CSR risks presented by the framework are MITIGATED by living COWI's mission and vision and practising COWI's five values: integrity, respect, independence, professional capacity and freedom. In addition, navigating a constantly changing political environment calls for a flexible and digitalised organisation which can adapt quickly to new project conditions.

## HOW WE FOLLOW UP

› Management's and employees' knowledge of mission, vision and values is scored in COWI's annual engagement survey.

While knowledge of mission and vision scored 71 in 2019, knowledge of values scored 74. COWI's target score for 2020 is 77, and we will therefore work on ensuring knowledge of our mission, vision and values, especially through our onboarding programmes. Furthermore, we will include the questions regarding mission, vision and values in our annual engagement survey every year instead of only every other year.

In early 2019, COWI acquired Arkitema, and from 2020, our colleagues in Arkitema will be included in the annual survey.

## ENGAGEMENT SURVEY SCORING

In our engagement survey, we benchmark ourselves against similar companies. Scores in the engagement survey are as follows: 0-60: low; 60-75: medium; and 75-100: high.



## MARKETS

As a global player in diverse GEOGRAPHIES and with diverse CUSTOMERS, COWI's employees face a number of CSR risks ranging from their personal security to the customers' business environment and CSR approach. These risks are MITIGATED by the Executive Board's approval of project geographical presence and COWI's safety organisation. COWI is a signatory of the UN Global Compact, thus the business environment, including corruption, is a key focal point vis-à-vis customers.

## HOW WE FOLLOW UP

› COWI's Executive Board applies the Transparency International Corruption Perception Index (CPI) to decision-making on geographic presence.

Countries with a CPI below 40 requires the intervention of the Executive Board.

› Training courses in business integrity are mandatory for all COWI staff.

All COWI employees undergo business integrity training every third year. In 2019 the degree of completion was 62 per cent as opposed to 64 per cent in 2018. The decrease from 64 per cent to 62 per cent

completion is a result of a combination of a net increase in the number of employees in COWI as well as timing of the rolling three-year training renewal deadline.

The target for completion remains 75 per cent in 2020. Due to not reaching the target in 2019, we are strengthening our internal communication related to follow-up on completion of training.

Arkitema, acquired by COWI in early 2019, will be included in the training courses. The time plan for this integration has not yet been finalised.



## SERVICES

To supply our customers with state-of-the-art sustainable solutions, we need to be able to recruit and retain highly COMPETENT EMPLOYEES and attract strong and responsible PARTNERS. We MITIGATE the risk of losing such employees through leadership and by creating a great place to work. We MITIGATE the risk of attracting inappropriate partners through our screening process and by making sure that our code of conduct is upheld.

### HOW WE FOLLOW UP

- › Every year, we carry out an engagement survey to measure the overall engagement of our employees.

More than 91 per cent of all employees took part in the 2019 Engagement Survey. This

is the highest participation ever. The overall engagement score is 77 – yet another increase by one point compared to 2018, and the 2020 target of 77 has now been reached. (please see box about engagement score on page 9).

- › The type and severity of incidents reported in the COWI Whistle-blower system are assessed by the Executive Board and reported to the Board of Directors.

In 2019, there were two whistle-blower incidents compared to nine in 2018. Please find more information concerning the COWI Whistle-blower system on page 33.

- › All training activities in COWI Academy are monitored with regard to content and participants.

In 2019, 2,748 unique participants took part in COWI's training activities via COWI Academy. In 2018, the number was 2,742.

### KEY CONTENTS OF THE COWI ACADEMY COURSES ARE:

- › Leadership
- › Project management
- › Business development
- › Onboarding (incl. vision, values, obligation to act)
- › Policy and safety
- › Compliance training
- › Communication training
- › Financial management.



## VALUE CREATION

COWI's success in the market depends on meeting CUSTOMER REQUIREMENTS and supplying RESPONSIBLE PROJECT MANAGEMENT. The risk of not living up to customer requirements or being able to incorporate sustainable quality solutions through diligent management is MITIGATED by ensuring that COWI has a vibrant and strong professional environment, which can

provide the high-quality, innovative and sustainable solutions that COWI's customers expect. Responsible project management entails that quality management is integrated in every phase of project execution and is therefore a strong mitigating factor.

### HOW WE FOLLOW UP

- › Customer satisfaction is followed closely through the Net Promoter Score for the entire business on a quarterly basis.

- › Quality management is ensured through ISO certification, recertification and regular audits.

In 2019, all of COWI became certified according to ISO 9001 and ISO 14001. Recertification audits are carried out every third year and follow-up audits are carried out in the two years in between.



## IMPACT

COWI's core business is to deliver projects based on the requirements of customers and society at large. Each project has an impact and can contribute to achievement of the SUSTAINABLE DEVELOPMENT GOALS if designed and realised in an innovative way. As a business, COWI also makes a FOOTPRINT in these societies. In 2006, COWI signed the Global Compact. Since then, we have strived to MITIGATE our impact on society by reducing our

footprint and contributing to the SDGs through actively working with and implementing the COP policies.

### HOW WE FOLLOW UP

- › COWI projects will be classified according to their relevance and contribution to achieving the SDGs.

2019 was the first year that we assigned new projects to the SDGs. This registration started in October 2019. By end of 2019, the primary registered SDGs were:

- › SDG 9: Industry, innovation and infrastructure (15 per cent)
- › SDG 11: Sustainable cities and communities (13 per cent)
- › SDG 7: Affordable and clean energy (6 per cent)
- › SDG 6: Clean water and sanitation (5 per cent)
- › SDG 13: Climate action (4 per cent).
- › We measure COWI's environmental impact

Please find a detailed presentation of COWI's environmental impact on pages 18-20.

# SUSTAINABLE DEVELOPMENT GOALS

COWI's services within infrastructure, energy, water and environment and buildings contribute to several of the UN's 17 sustainable development goals (SDGs). We find that our consultancy services particularly contribute to reaching the following five SDGs:

- › No. 6: Clean Water and Sanitation
- › No. 7: Affordable and Clean Energy
- › No. 9: Industry Innovation and Infrastructure
- › No. 11: Sustainable Cities and Communities
- › No. 13: Climate Action.

SDG no. 11, Sustainable Cities and Communities, encompasses much of our expertise and it corresponds very much to our vision, which is to create coherence in tomorrow's sustainable societies. In recent years, especially our Scandinavian business lines have started to build a thought-leadership position within sustainable growth of cities. We have held several seminars and events with customers and other

stakeholders to discuss challenges facing societies and possible solutions. Therefore, SDG 11 will take priority in our work with the SDGs and in our communication.

We are committed to working with the SDGs to create value for customers, society and our business. In 2019, we started categorising all projects according to which SDGs they contribute to the most. In this way, we gain a knowledge base which will enable us to plan our contribution to the SDGs in the best possible way.

In 2020, we will launch an updated sustainability dialogue tool, including all SDGs, to support our customers in considering the relevant sustainability aspects and SDGs on a project. We will offer the relevant solutions to support our customers in reaching their targets. Internally, we will follow up through sustainability and SDG training of project managers across sectors.

## SUSTAINABILITY AS A TENDER AWARD CRITERION

New tender models are needed to realise the UN sustainable development goals (SDGs). Models that intersect disciplines and include sustainability as a competitive parameter. This was one of the findings in March 2019 when the Technical University of Denmark (DTU) and COWI held a workshop on how to integrate SDGs in tender procedures.

Among the ideas for how to bring construction projects closer to the UN SDGs were tendering requirements such as fossil-free construction sites, reuse of construction waste and carbon footprint statements.

The suggestions were but a small selection of the many ideas that were shared among some 80 professionals from Danish municipalities, regions, consultants, customers, industries, utilities and universities at the workshop.



# HUMAN RIGHTS

**01** PRINCIPLE:  
Businesses should support and respect the protection of internationally proclaimed human rights.

## WORKING WITH HUMAN RIGHTS

The support of human rights is rooted in COWI's culture and reflected in one of COWI's five guiding values, 'respect'. The respect value states:

**“We respect those we work with, nature and society. We respect each other in decision-making and implementation. We respect friendship across the organisation, independent of hierarchy.”**

Through our policy on sustainable development, we integrate human rights in our business. In the policy, we commit ourselves to taking social aspects into account when carrying out projects, and to enhancing our employees' attention to and knowledge of social conditions.

This policy is integrated in our risk assessment and training systems. We continue to raise awareness among our employees about the importance of COWI not negatively affecting human rights in our external activities, including the work we do for customers, our procurement practices and our partners. Internally, our focus is on the right to a safe workplace with our health and safety policy as the overall guide.

## DEALING WITH HUMAN RIGHTS ON PROJECTS

To ensure that we do not have any adverse impacts on human rights through projects in which we are involved, we operate according to three procedures: Due diligence, supervision and obligation to act, described on the following page.

Employees are introduced to these procedures as part of COWI's training programmes.

## KEY ACTIVITIES AND OUTCOMES

Through COWI's procurement system, we assess suppliers on human and labour rights, ethical standards, social and environmental policies, health and safety, diversity and anti-corruption.

## HEALTH AND SAFETY AT WORK

The risk of physical work injuries is very low in COWI's operations. In 2019, we had 16 injuries with absence compared to 24 in 2018.

In 2018, the Executive Board decided that the COWI Group should be certified according to ISO 45001:2018. The ISO 45001:2018 project started in Denmark in 2018. In 2019, COWI Group has worked intensively on establishing and implementing COWI's Occupational Health and Safety management system for Danish employees. We expect to be certified in COWI A/S Denmark in 2020. As part of the project, COWI's Group Occupational Health and Safety policy has been updated to reflect what COWI wants to obtain and how the objectives are achieved. In 2020, COWI

**02** PRINCIPLE:  
Businesses should make sure that they are not complicit in human rights abuses.

in Sweden and the UK will transfer from OHSAS 18001 to the ISO 45001:2018. The time plan for certification for the rest of COWI Group will be decided in 2020.

## PRINCIPLE RELATING TO HUMAN RIGHTS

Employee conditions and compliance with human rights are important to COWI. To ensure that we detect any human rights violations on projects in which we are involved, we operate according to two procedures:

- › Health and safety supervision: In COWI, we seek to increase our influence on project sites by offering supervision of safety and health conditions. This allows us to ensure that internationally accepted standards are enforced on a project.
- › Obligation to act: Employees at COWI have the so-called obligation to act, meaning that everyone is obligated to act if they see human rights violated on a project.

The two procedures are included in our project management training.

## POLICIES AND PRINCIPLES RELATING TO HUMAN RIGHTS

- › Respect is one of COWI's five values.
- › COWI Whistle-blower.
- › FIDIC Code of Ethics adopted by COWI.
- › Policy on occupational health and safety.
- › Policy on sustainable development.

## POLICY ON OCCUPATIONAL HEALTH AND SAFETY

The COWI Group is committed to providing a healthy and safe working environment for all employees, which also is essential to COWI's overall business performance.

In COWI, health and safety include psychosocial wellbeing, safety when working on site, physical working environment in our offices and accident prevention.

Our objective is to be a healthy and accident-free workplace.

We recognize that strong health and safety leadership is essential to maintaining and developing a good working environment.

To meet our objectives, we will:

- › Not compromise a healthy and safe working environment for economic or productivity reasons.
- › Encourage employees to openly share and discuss health and safety issues.
- › Emphasize that a healthy and safe working environment requires awareness from both management and employees.
- › Comply with all relevant health and safety legislation and codes of practice.

## MEANS AND ACTIONS:

- › Ensure structured risk assessments within the areas where employees are exposed to hazards.
- › Encourage all employees to contact their manager if they have work-related health and safety concerns.
- › Ensure that health and safety are an integral part of management meetings, department/section meetings and other relevant forums.
- › Actively involve employee representatives in health and safety matters.
- › Provide continuous health and safety leadership training for managers and specific training for employees.
- › Monitor health and safety procedures to ensure compliance and continuous improvements of the health and safety management system.



## RESEARCH SEEKS TO MINIMISE THE CARBON FOOTPRINT OF LARGE CONCRETE STRUCTURES

In 2019, COWI kicked off a new research project seeking to minimise cost and environmental impacts when designing large concrete structures. The goal is to develop a theoretical basis for computer-based rigid-plastic analysis and design of solid reinforced concrete structures; uncover new knowledge on the mechanical behaviour of reinforced concrete in the tri-axial stress states; enhance the knowledge about necessary ductility; and provide valuable empirical insight into the behaviour of solid 3D structures through full-scale testing. Potentially, the outcome of the research will help minimise the quantities of materials needed in large concrete structures, such as cement. The three-year project is a collaboration between DTU Civil Engineering and COWI made possible by donations from COWIfonden, the Innovation Foundation, DTU and COWI.

## COWI ACHIEVES SILVER AT MIND'S WORKPLACE WELLBEING AWARDS IN THE UK

In 2019, COWI was recognised with a Silver Award for its commitment to workplace wellbeing.

Mind's Workplace Wellbeing Index is a benchmark of best policy and practice, celebrating the good work employers do to promote and support positive mental health, and providing key recommendations on the specific areas where there is room to improve.

COWI's local wellbeing initiatives kicked off in 2018, with a view to growing and developing a good mental health culture in all UK offices.

16 COWI employees are now trained mental health first aiders, able to provide support and information to employees. Health and wellbeing ambassadors run local events to raise awareness, coordinate regional events and engage employees in a range of social events. All of these volunteers are passionate about making positive improvements in mental health and wellbeing.

# LABOUR RIGHTS

**03** PRINCIPLE:  
Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining.

**04** PRINCIPLE:  
Businesses should uphold the effective abolition of child labour.

**05** PRINCIPLE:  
Businesses should uphold the elimination of all forms of forced and compulsory labour.

**06** PRINCIPLE:  
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

## LABOUR RIGHTS ON PROJECTS

The approximately 7,100 people working for COWI enjoy working conditions in line with international labour rights. We support and practise diversity and equal opportunities. Our employees are free to organise themselves and bargain collectively as they wish, and they are all paid a fair wage.

COWI dissociates itself from all kinds of child labour. The main challenge for COWI in terms of labour rights is that potential violations of these often take place outside our sphere of influence. They frequently concern migrant labour in the construction industry. We attempt to meet this challenge by working according to the following guidelines.

When COWI has the management responsibility of the construction phase of a project, we are able to influence labour rights conditions at the construction site, and act if they are not aligned with national and international ratified legislation.

If we are not in charge of the supervision of the project, we do not necessarily have access to the construction site and are therefore unaware of the human rights and/or labour rights standards practised. The obligation to act described in the human rights section also applies here.

The COWI Whistle-blower system is available for reporting observations or suspicion of discrimination.

## DIVERSITY IS MORE THAN A RIGHT

COWI is an international company with projects all over the world. We view diversity as a competitive advantage, because a breadth in employees gives us new and interesting views and different aspects and perspectives to our business and organisation.

Today, we are 78 different nationalities at all career levels. We believe that everyone should have equal opportunities regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political and sexual orientation.

In 2019, we continued our talent management process and set up a new and strong global recruitment function to identify and build talent as well as improve focus on diversity. We continue to be engaged in relevant mentoring programmes with universities.

## KEY ACTIVITIES AND OUTCOMES

During 2019, we continued our activities to ensure that COWI employees have state-of-the-art skills and competencies, ensuring not only their performance on

COWI projects, but also their marketability outside COWI.

We enhance skills and competencies through COWI's in-house academy, which offers a broad range of training programmes and courses on a wide number of subjects. Business ethics are taught and debated as part of the project management training, ensuring awareness as well as knowledge of our whistle-blower system.

## PARTNERING FOR TRAINING OF DEAF PEOPLE IN INDIA

Indian law requires a mandatory spend of two per cent of net profits on CSR initiatives. Until March 2020, COWI India partners with the Noida Deaf Society (NDS), a non-profit organisation bringing education and training to hearing impaired in India. Through COWI India, we are able to contribute relevant education and employment opportunities.

Furthermore, in 2019, COWI India entered into a three-year agreement with the BAAS Educational Trust (BET) in the rural area of Gairatpur Baas Panchayat. Our first financial contribution will be used to build additional classrooms where voluntary COWI experts can soon diversify their talents through math and physics tutoring and popularisation of engineering sciences.



Photo: Siksøe Grubben primary school - SPINN Arkitektur

## ENVIRONMENTAL REQUIREMENTS ENTERED THE DIGITAL DESIGN MODEL

Integrating environmental requirements into digital project design work increases the likelihood of delivering climate-friendly solutions. In 2019, COWI carried out this integration as part of a pilot project in Norway. When Rana Municipality entered the early planning stage for a new primary school, it asked COWI for assistance, and for the first time, environmental requirements for the consumption of materials were incorporated into the building information modelling (BIM) application.

The integration paves the way for even more advanced BIM modelling where sustainability plays a bigger part than ever.

We have decided to support the Gairatpur Baas Panchayat School, mainly for two reasons: We have seen what they have been able to achieve so far, and donating about 20 per cent of their current annual budget will provide them the stability they need to make a sustainable change in the development of these villages. We also know it is difficult for them to find good teachers in scientific disciplines, and COWI India has plenty of well-educated engineers eager to share their knowledge.

## POLICIES, PRINCIPLES AND TOOLS RELATING TO LABOUR RIGHTS

- › Respect is one of COWI's five values.
- › COWI Whistle-blower.
- › Policy on sustainable development.
- › Policy on diversity and inclusion.
- › Policy on occupational health and safety.
- › FIDIC Code of Ethics, adopted by COWI.

All policies are available at [www.cowi.com/sustainability](http://www.cowi.com/sustainability) and [www.cowi.com/policies](http://www.cowi.com/policies)

## POLICY: DIVERSITY AND INCLUSION

COWI views diversity as a competitive advantage that helps us achieve the best results for our customers. To meet our objectives, we:

- › aim to have a diverse workforce that mirrors the diversity of our business and markets.
- › give equal opportunities to everyone, regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political and sexual orientation.
- › ensure that our employment and recruitment practices adhere to local legislation, wherever we work in the world.
- › continuously improve equal opportunities in our employment and recruitment practices.
- › work towards creating a culture of tolerance and appreciation of difference.



# ENVIRONMENT

**07** PRINCIPLE:  
Businesses should support a precautionary approach to environmental challenges.

**08** PRINCIPLE:  
Businesses should undertake initiatives to promote greater environmental responsibility.

**09** PRINCIPLE:  
Businesses should encourage the development and diffusion of environmentally friendly technologies.

Environmental protection is the area where COWI has the greatest potential to make a difference and not only promote sustainable solutions to our customers, but also enable them to choose sustainable solutions.

We seek to reduce our own impacts through carbon-neutral policies and initiatives regarding the efficiency needs of our customers and our organisation. These activities are described as part of the green accounts on the following pages.

It is part of our ambition to promote the voluntary participation of employees in environmental initiatives as well as local campaigns to increase the awareness of resource-conscious behaviour.

## KEY ACTIVITIES AND OUTCOMES

COWI's focus is on all environmental issues ranging from analyses of environmental legislation and areas for improvement to climate change mitigation measures, solid waste, water supply and hands-on solutions for saving species when carrying out building or infrastructure projects. We strive to include environmental aspects and to upgrade and develop our skills in this entire area to be able to propose new and more environmentally friendly solutions to our customers. Below is a selection of such projects from 2019.

## SUCCESSFUL CARBON CAPTURE FACILITY IN NORWAY

Three years after signing the Paris Agreement to prevent average global temperatures from rising by more than two degrees Celsius, the world continues its urgent search for cost-effective methods of reducing greenhouse gas (GHG) emissions. Carbon capture is defined as one of the methods we have to consider.

In February 2019, a newly established pilot facility at the energy recovery plant of Fortum Oslo Varme succeeded in capturing its first CO<sub>2</sub>.

The facility is located near the Norwegian capital of Oslo and receives waste from the municipalities around Oslo, from businesses and industries, as well as sorted domestic waste from the UK.

What cannot be recycled is incinerated, and the energy generated during the incineration process is recovered to be used for district heating and electricity. Even though the flue gas is thoroughly cleaned off all environmentally harmful components, waste incineration generates around 400,000 tonnes of CO<sub>2</sub> each year – equivalent to the annual emissions from 200,000 cars.

In 2016, COWI started working on the carbon capture project and ever since the first pilot in February, the facility has demonstrated stable operation, capturing 90–98 per cent of the CO<sub>2</sub>. In other words, the results are very promising.

## ACHIEVING THE WORLD'S FIRST ZERO CO<sub>2</sub> GROCERY STORE

In 2019, Lidl, a global grocery store chain, engaged COWI in its efforts to make Lidl's store on Gotland, Sweden, certified as the world's first completely climate-neutral grocery store under the new NollCO<sub>2</sub> (Zero CO<sub>2</sub>) scheme.

The scheme has been developed as an important step in enabling Sweden to reach its climate goals and is one of the toughest in the world.

The certificate, which is awarded by the Sweden Green Building Council, requires the building to be climate-neutral from start to finish – it must have net zero CO<sub>2</sub> emissions throughout the construction process and when the store is in operation.

This means that the accumulated carbon dioxide debt is offset by various environmental measures such as locally produced renewable energy.



## FROM WASTE TO ENERGY

Malta generates about 600–615 kg waste per person, which in 2018 corresponded to 218,000 tonnes of waste. If treated wisely, most of it can be used to generate energy. Thus, the Maltese government decided to construct a modern, energy-efficient waste incineration plant with an expected annual capacity of some 200,000 tonnes of waste. In 2019, COWI won the client consultancy contract for the project.

In connection with the launch of the first trial version of the NollCO<sub>2</sub> certification, COWI examined ways for a Lidl store to meet the stringent requirements and produced a roadmap for the project. At the project design stage, COWI headed the certification work and ensured that the targets could be met by drawing up a climate budget and producing a payment plan for any CO<sub>2</sub> emissions that arise.

## PROMISING RESULTS FOR INNOVATIVE PURIFICATION OF CONTAMINATED GROUNDWATER

In 2019, several years of research into a cheaper and more sustainable way of treating contaminated groundwater revealed very promising results as an attractive alternative to existing methods.

The new method goes like this: You treat groundwater contaminated with carcinogenic chlorinated solvents using an electric current. In practical terms, this means establishing

electrochemical zones in the groundwater by installing electrodes in the groundwater reservoir itself.

Major advantages: 1) No chemicals or bacterial cultures are injected and 2) zero groundwater is extracted. With millions of contaminated sites around the world and the subsequent risk of drinking water pollution, sustainable and low-cost cleaning methods are in high demand.

The PhD project is headed by PhD student Bente Højlund Hyldegaard, COWI's department for Waste and Contaminated Sites, and carried out in collaboration with the Technical University of Denmark, the Capital Region of Denmark and the U.S. Army Corps of Engineers.

Depending on further funding, the next step is to test the promising laboratory results in a real environment.

## POLICIES, PRINCIPLES AND TOOLS RELATED TO ENVIRONMENTAL PROTECTION

- › Respect is one of COWI's five values.
- › Policy on sustainable development.
- › Policy on diversity and inclusion.
- › Policy on occupational health and safety.
- › FIDIC Code of Ethics, adopted by COWI.

All policies are available at [www.cowi.com/sustainability](http://www.cowi.com/sustainability) and [www.cowi.com/policies](http://www.cowi.com/policies)

### STRATEGY TO INCREASE PROTECTION OF NATURE ALONG TREKKING ROUTES

The Norwegian Trekking Association (DNT) wants to make outdoor life even greener and implement a new sustainability strategy, and in 2019, the organisation asked COWI for assistance.

Among other things, the parties will work together on the new strategy and COWI will assist in defining parameters. The parameters will map everything from consumption of green energy in cottages to environmentally friendly transport, communication on sustainability and inclusion.



Photo: Eivind Haugstad, Klaven/DNT

# CARBON FOOTPRINT REPORT 2019

In 2019, COWI decided to become carbon neutral in 2020. The goal is to reduce own direct and indirect CO<sub>2</sub> missions by 70% in 2030 compared to 2008. An action plan to reach this target is in the making. The end target is zero emissions by 2050.

The decision on becoming carbon neutral has been put into effect by initiating own measures for reducing CO<sub>2</sub> emissions and following the PAS 2060 standard for Carbon Neutrality. Carbon neutrality is reached by investing in carbon credit offsets from a Gold Standard renewable energy project, with the objective to gradually source fewer annual offset credits when own mitigation measures gradually increases towards year 2030. The chosen offset project is developed according to the UN Framework Convention on Climate Change (UNFCCC) methodology and verification procedures, and the Gold Standard ensures increased focus

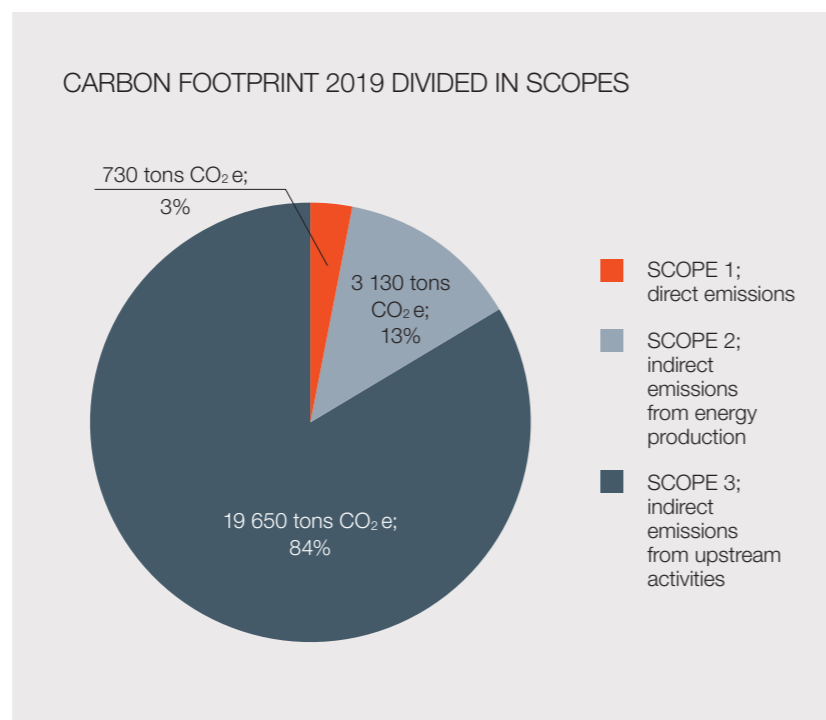


FIGURE 1 CO<sub>2</sub> emissions in 2019 for COWI group divided into scope 1, 2 and 3. See figure for explanation of the scopes.

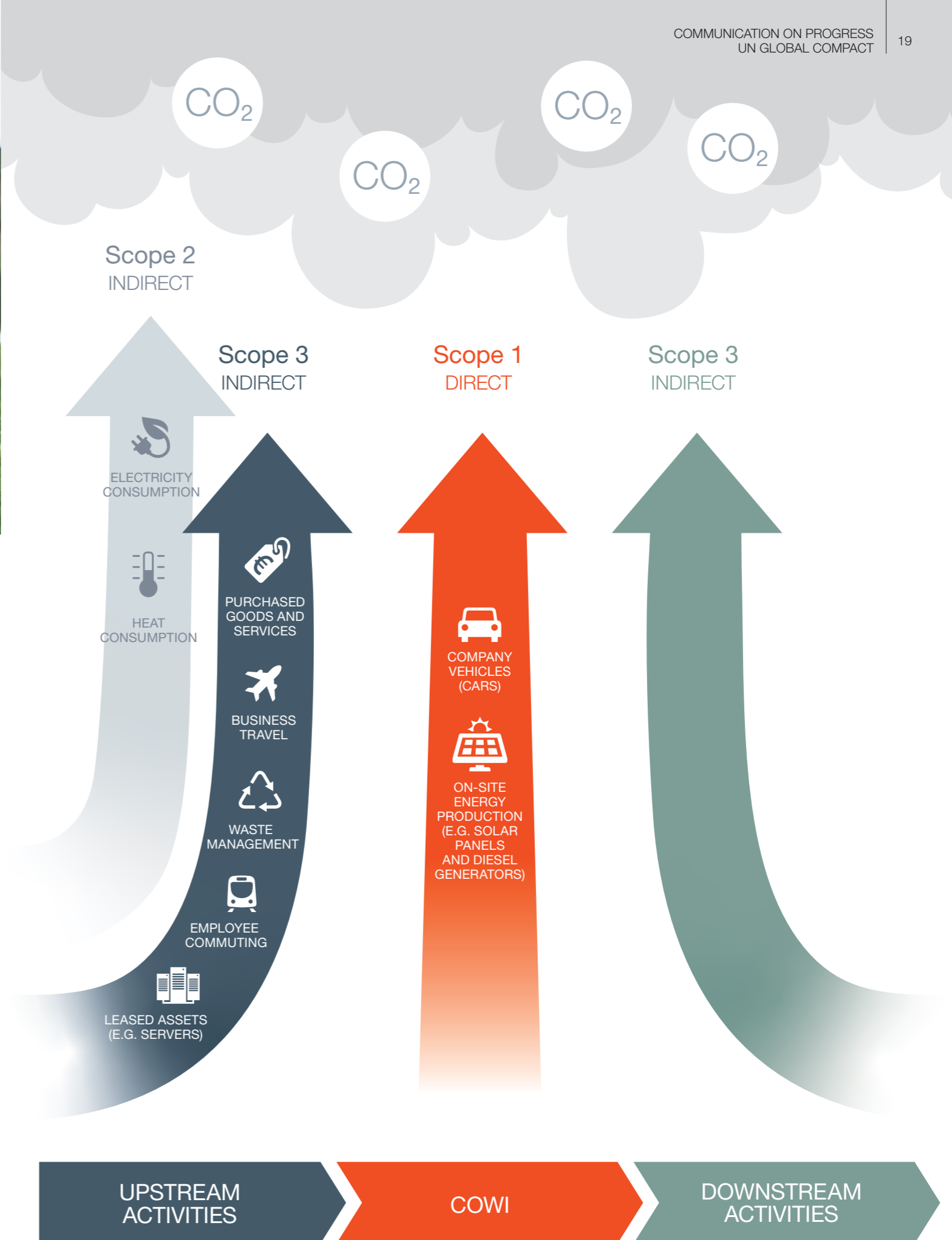


FIGURE 2 Scope 1, 2 and 3 with examples from COWI.

on environmental and socio-economic issues for sustainable development. The measured and calculated CO<sub>2</sub> reductions are verified by an independent verification and validation company accredited by the UNFCCC. The sourced carbon credits have unique serial numbers and are being retired from the Gold Standard carbon credit registry in the name of COWI to ensure transparency and to promote the voluntary action taken by COWI.

As part of our reporting on the Communication on Progress, we have for the last 13 years published our carbon footprint for Denmark. Starting in 2018, we published our carbon footprint for the entire COWI organisation.

The overall results of Carbon footprint report for 2019 show that COWI group emitted 23,500 tons CO<sub>2</sub> covering all scopes.

**METHODOLOGY**

In 2019, COWI changed its methodology to measure the Group's CO<sub>2</sub> emissions of its business meaning going forward we will be using the recognised Green House Gas (GHG) protocol.

The GHG protocol is developed in collaboration between World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). The new methodology requires the emissions mapped to cover scope 1, 2 and 3, as defined by the GHG protocol. Some emissions, especially downstream and capital goods emissions, have been excluded from the accounts. The scopes are explained in the figure on page 19 and examples of emissions from COWI is displayed.

Overall the emissions are divided into the following categories; energy, business travel, employee commuting, purchased goods and services and generated waste. The CO<sub>2</sub> emissions shown are in CO<sub>2</sub> equivalents, thus covering all greenhouse gases.

The change means that comparison with previous years are only possible in some categories.

Generally, the data consists both of actual data on consumption and estimates. CO<sub>2</sub> factors for the consumptions are estimated typically based on national average emissions or for energy the specific fuel type. Actual data are gathered on energy consumption, transportation, waste management and water consumption for permanent COWI offices with more than 30 employees. Furthermore, some central data on the consumption of goods is retrieved, while other is estimated.

**TOTAL CO<sub>2</sub> EMISSIONS**

Total emissions amount to 23,500 tons CO<sub>2</sub> eq., which equals an emission of 3.2 tons CO<sub>2</sub> eq. per full time employee. In 2018, we recorded a CO<sub>2</sub> emission of 13,400 tons CO<sub>2</sub> eq. The large difference is due to the changes in methodology with reporting of e.g. employee commuting and purchased goods. Furthermore, Arkitema (approximately 500 employees) became a member of the COWI group in 2019.

The emissions vary from country to country both due to different energy sources and differences in consumption. The following graph shows the CO<sub>2</sub> per full time employee in different countries and from where the CO<sub>2</sub> emissions origin from.

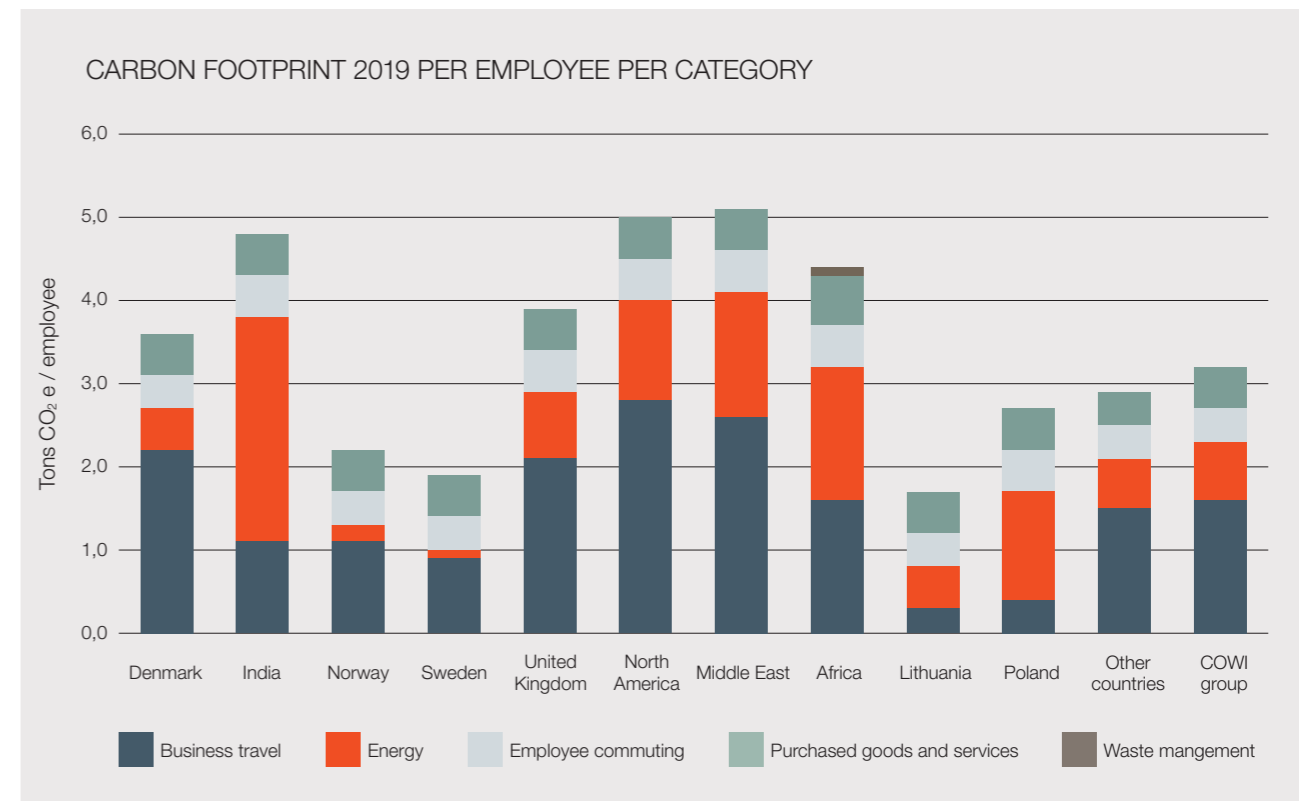


FIGURE 3 CO<sub>2</sub> emission per full time employee per category per country.

**ENERGY**

Emissions from energy consumption (heating, cooling and electricity) amount to 4,920 tonnes CO<sub>2</sub> eq. totalling 21 per cent of our CO<sub>2</sub> emissions. The emissions come from a consumption of 65,300 MWh energy. In 2018 the consumption was 13,700 MWh which is a large increase, but this is due to improved data set and expanded scope. Heating/cooling has not been regulated according to mean heat temperatures in the individual countries, and the results can therefore fluctuate from year to year depending on the weather.

**BUSINESS TRAVEL**

Emissions from road and rail, hotels and air amount to 11,760 tonnes CO<sub>2</sub> eq. totalling 50 per cent of COWI's emissions. This corresponds to 63 million kilometres travelled. Per full time employee this equals 2,400 km driven and 6,300 km flown in 2019. In 2018, this was respectively 1,800 and 7,600 kilometres per employee, hence there is an increase per employee for road and rail travel due to improved data sets, but a decrease in air travel. Air travel, as always, accounts for a large part of our climate impact: 35 per cent in 2019.

**EMPLOYEE COMMUTING**

Employee commuting have been estimated based on assumptions of share of transportation mean for each country. The results estimate a CO<sub>2</sub> emission of 3,200 tonnes, equalling 13 % of the total emissions. A survey is expected for 2020 to improve the data in this category.

**PURCHASED GOODS AND SERVICES**

The category covers consumption of food and beverages, IT products, office equipment and supplies and water, as well as the transportation of these. Data is completed based on economical values, actual purchase data primarily depending on our largest offices and then scaled on the number of employees, or estimations. Improved data collection of this category is expected in 2020.

In 2019, the CO<sub>2</sub> emission from the purchase of goods and services was estimated to 3,600 tonnes CO<sub>2</sub> totalling 15 per cent of emissions. The largest share came from the purchase of IT products followed by food and beverages. This equals an emission of 500 kg CO<sub>2</sub> eq. per full time employee.

**GENERATED WASTE**

COWI is a consulting company and hence does not generate large amounts of waste from its offices. This is why just 0.3 per cent of the emissions stems from waste management, totalling 60 tons CO<sub>2</sub> emissions. Furthermore, a large share is recycled or incinerated with energy recovery, which saves CO<sub>2</sub> emissions.

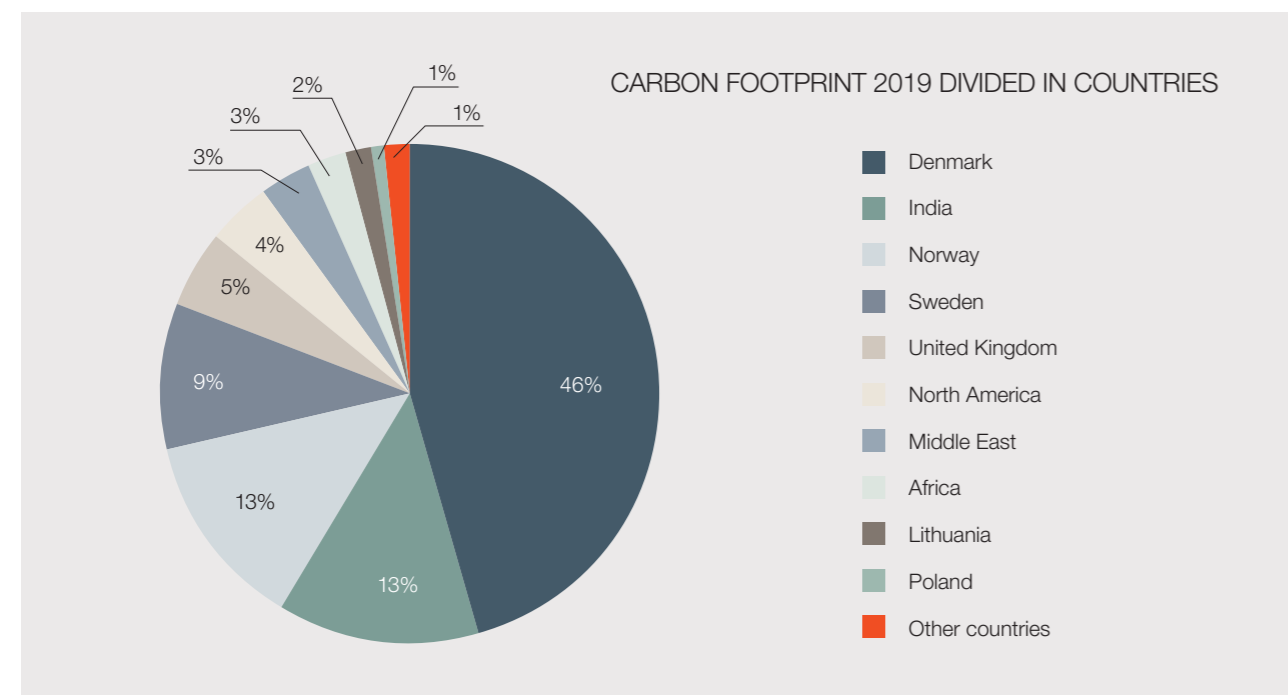


FIGURE 3 CO<sub>2</sub> emission per country.

COWI is collaborating with HOLMRIS B8 in planting forests around Denmark, with its first forest project in Hasselager near Aarhus, Denmark. The forests will be planted by Growing Trees Network Foundation and has multiple purposes besides absorbing CO<sub>2</sub>; as these forests are often planted on top of groundwater reserves, they also work as groundwater protection. Furthermore, the planted forests are public forests enhancing biodiversity and the outdoor experience close to the cities. COWI purchases 5 trees for each new desk bought in Scandinavia and have in 2019 planted 2,380 trees.

# ANTI-CORRUPTION

**01** PRINCIPLE:  
Businesses should support and respect the protection of internationally proclaimed human rights.

## AGAINST ALL FORMS OF CORRUPTION

We strongly believe and prove every day that it is possible to achieve success without accepting or engaging in any form of corruption. We have a business integrity policy to support this belief, which states:

**“We will not in our services or in any other activity, directly or indirectly, accept bribery, extortion, fraud, collusion or any other undue business activity.”**

Each entity in the COWI Group is required to implement business integrity management. This should be done in accordance with the FIDIC Code of Ethics, COWI's business integrity policies and guidelines, and the laws applicable in the company's home country and the countries of operation.

In COWI, we believe that the adoption of good governance, transparency and accountability into day-to-day business is the best prevention against corruption. COWI's Whistle-blower system enables employees and external stakeholders to report anonymously any violations of our principles on business integrity and sustainable development. It is important that our employees have a joint understanding of

our business integrity policy and are familiar with the COWI Whistle-blower system, which can help the business and prevent future offences and unethical behaviour.

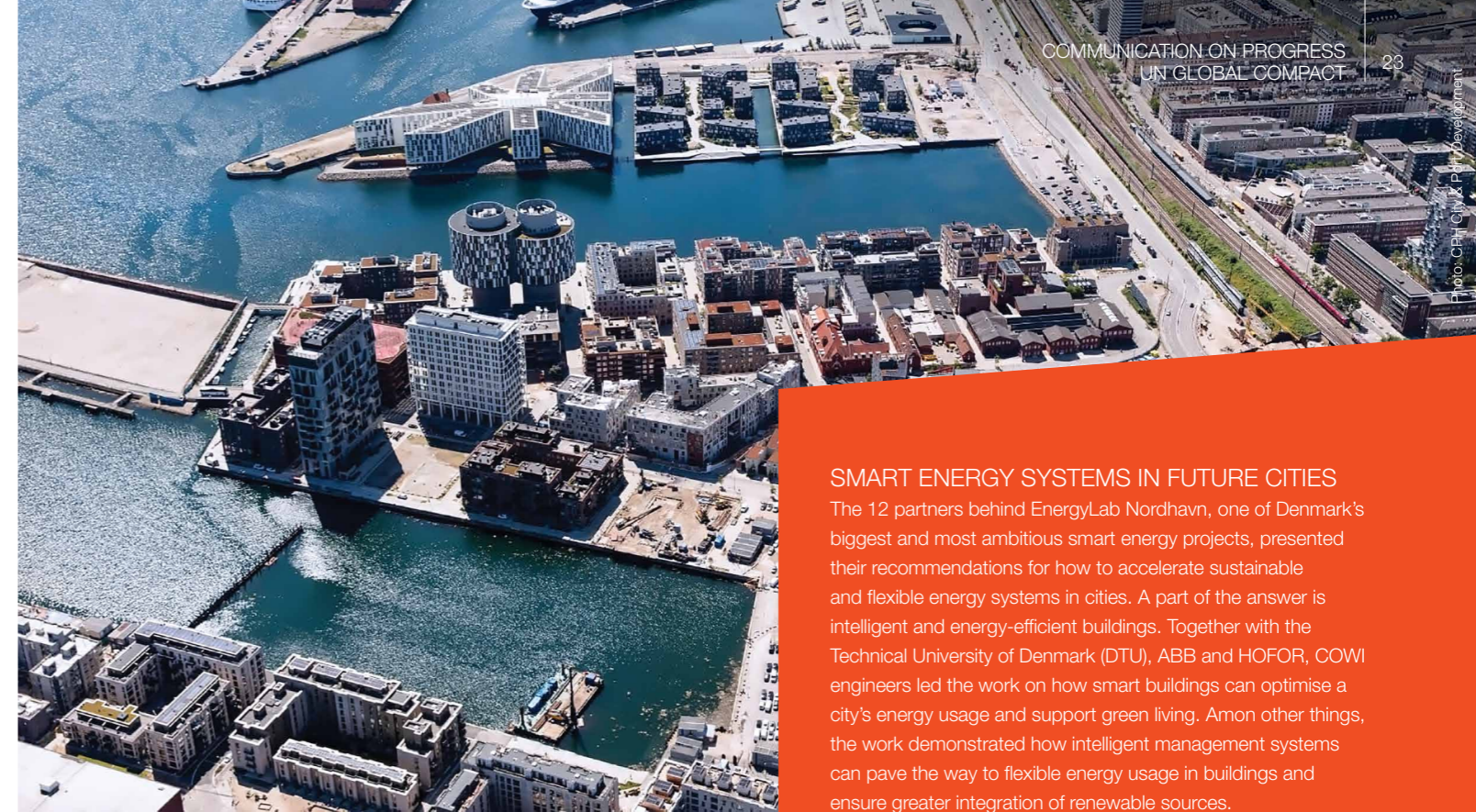
## KEY ACTIVITIES AND OUTCOMES

In 2019, COWI's business integrity compliance project continued to develop third-party due diligence practice of customers and collaboration partners, and COWI's global business integrity training programme successfully continued in 2019 with mandatory e-learning for all employees in COWI.

As part of our risk management system, twice a year, COWI reviews an internal list of countries that our business lines define as high-risk areas in terms of concerns related to personal security or business climate, the latter taking point of departure in the Transparency International Corruption Perceptions Index. We apply enhanced risk management, if exceptionally a project is carried out in one of those places. In 2019, 101 countries were on the list, a minor decrease from 102 in 2018.

## WHISTLE-BLOWER USE

The COWI's Whistle-blower system functions as it should, because it is used. Two cases were reported via our whistle-blower hotline in 2019 as opposed to nine cases in 2018. These were all reported to the Board of Directors, investigated at corporate level or passed on to local management for follow-up.



## SMART ENERGY SYSTEMS IN FUTURE CITIES

The 12 partners behind EnergyLab Nordhavn, one of Denmark's biggest and most ambitious smart energy projects, presented their recommendations for how to accelerate sustainable and flexible energy systems in cities. A part of the answer is intelligent and energy-efficient buildings. Together with the Technical University of Denmark (DTU), ABB and HOFOR, COWI engineers led the work on how smart buildings can optimise a city's energy usage and support green living. Among other things, the work demonstrated how intelligent management systems can pave the way to flexible energy usage in buildings and ensure greater integration of renewable sources.

## POLICY AND TOOL

### GUIDELINE: COWI WHISTLE-BLOWER

COWI wishes to maintain a high standard of business ethics and encourages anyone to talk to their line manager about concerns regarding business ethics. If they feel uncomfortable doing so, they can use the COWI Whistle-blower system.

To meet our objectives, we will:

- › ensure that any concerns raised through the COWI Whistle-blower are investigated, and appropriate action taken.
- › allow everyone, including employees, former employees, sub-contractors, agency staff and business partners, to use the COWI Whistle-blower.
- › allow whistle-blower notifications within:
  - › violation of law, regulations and internal policies.
  - › misbehaviour with regard to accounting and auditing.
  - › fraud, theft and conflicts of interest.
  - › improper giving or receiving of gifts.
  - › discrimination and harassment.

- › violation of environmental protection, health and safety legislation.
- › unfair bidding procedures and scientific misconduct.
- › make the COWI Whistle-blower publicly available via [www.cowi.com](http://www.cowi.com).
- › continuously train our employees to maintain our culture of integrity and honesty and inform them of the COWI Whistle-blower system.

### POLICY: BUSINESS INTEGRITY

COWI wishes to maintain its impartiality and independence, and contribute globally to a fair conduct of business, avoiding extraneous influence on selection, execution or compensation procedures. We will not in our services or in any other activities, directly or indirectly, accept bribery, extortion, fraud, collusion or any other undue business activity.

To meet our objectives, we will:

- › continuously train our employees in the area of business integrity.
- › continuously develop and maintain proper tools to help and guide our employees.

## POLICIES, PRINCIPLES AND TOOLS RELATING TO ANTI-CORRUPTION

- › Integrity is one of COWI's five values.
- › Business integrity policy.
- › Corporate practice in business integrity.
- › COWI Whistle-blower.
- › FIDIC Code of Ethics, adopted by COWI.

# ABOUT GLOBAL COMPACT

Global Compact is an initiative launched in January 1999 by former UN Secretary – General Kofi Annan.

It is a call to businesses worldwide to help build social and environmental frameworks that ensure open and free markets and help people everywhere secure a chance to share the benefits of the new global economy.

The Global Compact encompasses ten principles spanning everything from international declarations on human rights and labour rights to environmental and corruption issues.

## MAN-MADE PENINSULA BEING BUILT IN GOTHENBURG, SWEDEN >

Masthuggskajen is one of Gothenburg's biggest urban development projects and will form a new district with a mixture of urban dynamism and local life. One of the toughest challenges for the project is the construction of an artificial peninsula, which is to be built out into the river. The development of the new peninsula calls for extensive construction work of great technical complexity. Among COWI's responsibilities are tender documents for a turnkey contract for the groundworks and the load-bearing structures. Other responsibilities include the coordination of technical solutions between the project and other nearby works at all stages from planning and design to completion. The area is part of Älvstaden and the project is the first to be certified under Citylab, the Sweden Green Building Council's certification system for sustainable urban development.





# ABOUT COWI

COWI is a leading consulting group that creates value for customers, people and society through our unique 360° approach. We supply services to customers within infrastructure, buildings, energy and the environment and water. We aim to create innovative and sustainable solutions for our customers through world-class competencies and close relationships.

With our almost 90 years of experience in the business, we have created landmarks in many of the countries in which we operate. We are a leader within our fields of work, because our more than 7,100 employees are leaders within theirs.

Together with our customers, we create coherence in tomorrow's sustainable societies.

Our stronghold is Scandinavia, but with offices all over the world, we combine global presence with local knowledge, which enables us to take on projects wherever our customers are. At any given moment, we are involved in more than 12,000 projects.

## < ACHIEVING THE WORLD'S FIRST ZERO CO<sub>2</sub> GROCERY STORE

In 2019, Lidl, a global grocery store chain, engaged COWI in its efforts to make Lidl's store on Gotland, Sweden, certified as the world's first completely climate-neutral grocery store under the new NollCO<sub>2</sub> (Zero CO<sub>2</sub>) scheme.

The scheme has been developed as an important step in enabling Sweden to reach its climate goals and is one of the toughest in the world.

The certificate, which is awarded by the Sweden Green Building Council, requires the building to be climate-neutral from start to finish – it must have net zero CO<sub>2</sub> emissions throughout the construction process and when the store is in operation.

This means that the accumulated carbon dioxide debt is offset by various environmental measures such as locally produced renewable energy.

In connection with the launch of the first trial version of the NollCO<sub>2</sub> certification, COWI examined ways for a Lidl store to meet the stringent requirements and produced a roadmap for the project. At the project design stage, COWI headed the certification work and ensured that the targets could be met by drawing up a climate budget and producing a payment plan for any CO<sub>2</sub> emissions that arise.

## FROM TOXIC LANDFILL TO LUSH NATURE

For almost 30 years, Langøya was used as disposal point for toxic waste. The landfill is now closed, and a top cap has been installed to ensure that the waste does not pose a risk of further contamination to local groundwater or the surrounding sea.

Additionally, the historical landfill had ambitions to become a natural habitat for endangered species. Three years ago, COWI began efforts to further rehabilitate the landfill site in order to transform it into a recreational area. Step one involved adding a thin layer of soil to the northern part of the landfill site, which was then sown.

Big flakes of soil as well as seeds from neighbouring islands were brought to the landfill site. By the summer of 2019, some 110 square metres of red-listed dewberries and star thistles were in bloom – both species are red-listed in Norway. Observations also include the rare fly orchid.

