

COMMUNICATION
ON PROGRESS

2017

2017 UN GLOBAL COMPACT



COWI



< SUSTAINABLE COOLING AT THE AIRPORT IN BERGEN, NORWAY

44,000 small containers containing salt mixture reduce energy costs, optimize the operation and increase the cooling effect at the new cooling plant at the T3 airport terminal in Bergen. The innovative use of salt solutions, developed by COWI, to cool the new terminal at the airport of Flesland has made this a pioneer plant. The global demand for cooling is rising exponentially. A warming planet and the rapidly growing middle classes in warm and hot developing economies drive the increasing need for air conditioning. Thus new and cheap ways of storing energy can contribute significantly to a sustainable society.

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COWI is a leading consulting group that creates value for customers, people and society through our unique 360° approach. Based on our world-class competencies within engineering, economics and environmental science, we tackle challenges from many vantage points to create coherent solutions for our customers – and thereby sustainable and coherent societies in the world.

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COMMITMENT FROM OUR CEO

In COWI, sustainability is an integrated part of our vision and at the heart of our business model. In a world where urbanisation and populations are dramatically increasing, societies and customers need solutions that are effective and sustainable, and which enable quality of life for the entire community. COWI is part of the solution as we have been for more than 88 years. Every day, we strive to deliver high quality, smart and sustainable solutions that meet the needs of societies and customers around the world.

COWI's vision is to create coherence in tomorrow's sustainable societies; and we are committed to do so with long-term societal, environmental and people interests in mind.

We see this way of working ascending the agenda of global leaders. We see it mirrored in the UN Sustainable Development Goals of September 2015 and the recent Bonn Climate Change Conference in 2017.

We see it reflected in the increasing awareness among the world's decision-makers and

business leaders. Sustainable growth is key to dealing with the challenges facing the global community right now. This increased awareness translates into both new legislation and voluntary standards for sustainability – a situation we welcome and for which we are more than prepared. We not only see it as necessary for the future of our children and grandchildren. We see that it provides COWI with great business opportunities now and in the future.

Going forward there is no doubt in my mind that sustainability increasingly will be part of the solutions we offer. For COWI, especially SDG goal 11: Sustainable cities and communities integrates and in many ways encompasses almost all our services.

Thus, in our daily way of doing business, we remain fully and continuously committed to the United Nations Global Compact. This Communication on Progress report is produced with reference to the ten principles of the Sustainability Reporting Guidelines.



Lars-Peter Søbye, President, CEO





THAMES TIDEWAY

The Thames Tideway Tunnel is a major new sewer that will help tackle the problem of overflows from London's sewers, and protect the river Thames from pollution. The scheme includes a 25km-long bored interception tunnel and associated shafts, connecting tunnels and pumping stations. COWI is designing two 45m-deep vertical shafts – involving piled, segmental and sprayed concrete lining methods – and 14 connecting tunnels with segmental or sprayed concrete linings at depths ranging from 15m to 60m below ground. The project is expected to be completed in 2023.

SUSTAINABILITY AND CSR IN COWI

OUR APPROACH

Through our services, we contribute to sustainable development.

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

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 community impacts into consideration.

Our chief potential for contributing to the reduction of environmental impacts lies in our service delivery and in the solutions 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.

Our commitment to sustainability and corporate social responsibility is an extension of our fundamental values and mission. This commitment is also reflected in our memberships of the UN Global Compact and the UN Caring for Climate initiative, as well as our support to the International Federation of Consulting Engineers' (FIDIC) Code of Ethics.

It is essential to COWI and to realising 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 of these are critical to our efforts to attract talented candidates and retain outstanding people.

SOLUTIONS MEETING 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

AT THE END OF 2017, COWI HAD POLICIES COVERING THE FOLLOWING AREAS:

- › Sustainable development
- › Transparency and anti-corruption
- › Sustainable supply chain
- › COWI Whistle-blower hotline
- › Business integrity
- › Diversity and inclusion
- › Health and safety (HSE)

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

key services which are instrumental in providing future and sustainable solutions that can meet the challenges. COWI's engagement in light rail projects in Denmark and Norway exemplifies our commitment to improving liveability in cities.

Further challenges are climate change and environmental degradation, which constitute threats that need to be overcome by, for example, low-energy buildings, security measures against adverse weather, and recovery of contaminated land. One COWI project working with the mitigation of such climate challenges is Singapore's new deep tunnel sewerage system (DTSS), which will help solve problems brought on by extreme rain.

COWI's specialist competencies 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 it is where we have the greatest impact on sustainability.

POLICIES AND GUIDELINES

As an integrated part of our project and quality management system we apply a project screening tool in which we take into account health and safety, as well as security, environmental, social and community outcomes for all projects carried out by COWI.

At present, we are following closely the global debate on how companies can work with the 17 Sustainable Development Goals – or at least some of them, and we are already in the sectors related to COWI's key services using them as a stepping stone to develop our dialogue with customers.

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 the ten UNGC principles.

In addition, the report serves to meet the requirements of Danish law, and contains the green accounts of our Danish company. It also describes our activities within the environment, human rights and social responsibility.

FREDERIKSVÆRK FLOODGATE

Frederiksværk Floodgate is a high-water gate built to protect the town against repeated flooding. The floodgate is located in Arresø Canal where the canal joins Roskilde Fjord. It prevents flooding with doors that close at high tide thus protecting citizens and companies against extreme high tide in Roskilde Fjord. The doors close and the pumps start when the water level is between 0.5 and 1.0m above Main Sea Level. When the water level is back below 1.0m and the current outgoing, the pumps stop and the doors open. COWI designed the floodgate and was responsible for construction supervision.



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 our five guiding values 'respect', which 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 the 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 consideration when carrying out projects, and to enhancing our employees' attention to and knowledge of social conditions.

This policy is integrated into our risk assessment and training systems, through which we continue to raise awareness of the importance of COWI not contributing negatively to 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 adverse impacts on human rights through projects in which we are involved, we operate according to two procedures: Supervision and Obligation to act, described on the following page.

All new employees are introduced to these three procedures as part of COWI's on-boarding programme, and the procedures are included in our training, amongst other in COWI's award winning project management academy.

KEY ACTIVITIES AND OUTCOMES

Since 2012, COWI has had a sustainable procurement system, which is now used in Denmark, Sweden and Norway. Through the system, we assess suppliers on human and labour rights, ethical standards, social and environmental policies, health and safety, diversity and anti-corruption. We store all information concerning every supplier in our system, which means that the entire organisation has access to all relevant supplier information.

According to COWI's 2020 strategy and our approach for procurement, our goal is to ensure that all COWI suppliers are certified.

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

HEALTH AND SAFETY WORK

In 2017, the work on health and safety continued to focus on the psychosocial working environment and the prevention of work-related stress as well as supervisory work on construction sites. The risk of physical work injuries is very low in our operations. In 2017, 10 injuries with absence from work were reported as opposed to 11 injuries in 2016.

Due to legal restrictions, we have no specific data on the occurrence of absences due to work-related stress. However, we are aware of the fact that with a highly committed work force in a knowledge-based company stress-related illness may represent a substantial risk. To mitigate this risk and in line with our core values we have designed and implemented a robust programme to prevent stress or bring people back to their jobs in cases of debilitating temporary stress.

The Health & Safety project initiated in 2016 covering COWI operations in Denmark is proceeding according to plan and expected to be fully completed in 2018. The aim of the project is to obtain OHSAS 18001 certification (Occupation Health and Safety Assessment Series). In 2017, we carried out the Danish statutory workplace assessment for physical and psychosocial working conditions with excellent results. However, to develop our working environment further we have set ourselves a number of ambitious key performance indicators.

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: COWI seeks 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 obliged to act if they see human rights violated on a project.

The two procedures are included in our project management training and COWI's on-boarding programme.

POLICY ON HEALTH AND SAFETY

COWI strives for a healthy and safe work environment, both in our own operations and in our project-related activities.

To meet our objectives, we will:

- › comply with relevant health and safety legislation and standards;
- › ensure that a safe working environment is never compromised for economic or productivity reasons;
- › ensure that project managers instruct their teams on specific project-related health and safety risks and necessary preventive measures. This includes the use of personal protective equipment;
- › provide employees with an opportunity to influence their own working environment in a dialogue with management;
- › inform our customers and business partners if we find violations of health and safety standards, labour rights, human rights or unnecessary or illegal environmental degradation on projects in which we are involved.



SEXUAL HARASSMENT IN CARE WORK, DENMARK

COWI is taking part in a research project together with the National Research Centre for the Working Environment and the National Institute for Public Health. The project is specially aimed at helping workplaces in the care sector, such as hospitals, nursing homes and psychiatric residential facilities, prevent and manage sexual harassment. The project is built around designing guidelines based on the principles of action learning that can prevent and manage sexual harassment from patients and clients. Input for the research is collected through interviews with employees, managers, union representatives and shop stewards from ten workplaces.

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 health and safety
- › Policy on sustainable development

All policies are available at www.cowi.com/sustainability and www.cowi.com/policies

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 almost 7,000 people working for COWI have 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 42 different nationalities in all career levels.

It is our standpoint that everyone should have equal opportunities regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political and sexual orientation.

In 2017, we continued our talent management process to identify and build talent as well as improve focus on diversity. We continue to be engaged in relevant mentoring programmes with universities.

Our aim is to increase the number of women in management, which is a key item in COWI's diversity action plan for 2017. Therefore, gender diversity is a focal point in leadership training and talent programmes.

WOMEN IN MANAGEMENT

The share of women in management was in 2016 24 per cent, and is in 2017 also 24 per cent compared to 30 per cent of all employees being women.

As we were unable to meet our target of having at least two of COWI's six board members women by 2017, we renewed the goal for 2020. In 2017, we had one female board member, and we will continue to work on finding candidates of both genders who meet our competence requirements.

KEY ACTIVITIES AND OUTCOMES

During 2017, 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 Project

Management 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 training at the project management academy, 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. To fulfil this obligation, COWI India Private Ltd. (CIL) partners with the Noida Deaf Society (NDS), a non-profit organisation bringing education and training to hearing impaired in India. For deaf people in India, access to both education and work is quite limited. Through CIL, we are able to contribute relevant education and employment opportunities.

NOIDA DEAF SOCIETY SCHOOL

Our contribution supports the NDS School, and supports directly the operational costs of educating 120 youths as well as facilitating their access to the labour market.

COWI's relationship with NDS began in 2013, when five students from NDS were given special photogrammetry training; the same training was conducted again in 2015. Three of these students are still employed by COWI India in the Mapping Division.

The agreement between COWI India and NDS has been extended for another three years to 2020. The aim is to educate more than 200 youths, and we will continue to offer jobs when suitable job opportunities arise.

EMPLOYEES IN THE COWI GROUP 2016-2017

	2016	2017
Employees	6,586	6,599
Average age, years	41.4	42
Women	30%	30%
Men	70%	70%
Women in management	24%	24%



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 health and safety
- › FIDIC Code of Ethics, adopted by COWI

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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.

The area of environmental protection is 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 focus on being a leading consultant within the development of climate-change mitigation measures and adaption solutions in sectors and business lines where we have a strong foothold. In line with our climate-change strategy, we contribute actively to evaluating the potential for climate solutions and argue for their implementation in partnership with our customers. We continue to upgrade and develop our skills in this area to be able to propose new and more environmentally-friendly solutions to our customers.

We seek to reduce our own impacts through carbon-conscious policies and initiatives on the efficiency needs of our customers and our organisation. The data to document our progress in this area is only available for our Danish activities, and is described as part of the green accounts on the following pages.

Finally, we promote the voluntary participation of employees in environmental initiatives and locally run campaigns to increase the awareness of resource-conscious behaviour.

KEY ACTIVITIES AND OUTCOMES

A large proportion of our projects carries some element of climate-conscious technologies. Below is a selection of such projects from 2017.

CLIMATE KIC NORDIC

COWI is a partner of the Nordic branch of Climate KIC – the EU's largest public-private innovation partnership on climate change. It consists of companies, academic institutions and the public sector. The aim is to transform knowledge and ideas into economically viable products and services that help mitigate and adapt to climate change.

In addition to the ongoing KIC project, Pathfinder, COWI took part in two specific KIC related events in 2017: a workshop at the Bonn COP23 and the Climate Innovation Summit in Milano, and wrote a series of whitepapers.

In Bonn COWI arranged and coordinated a side event in the Nordic Pavillion where we presented 'Multifunctional sustainable land-use: urban farming trend meets traditional peri-urban land-use', i.e. how new business models for sustainable land-use are central to developing long-term profitability and sustainability in land-use management. Other issues were related to how partnerships and stakeholder involvement between different sectors in society can develop sustainable land-use to achieve synergies between climate mitigation and adaptation as well as increased resilience. Project initiatives from the Nordics were presented.

In Milano we were part of a panel discussing 'Greening the cities'. The discussion was centred on the journey from blue-green infrastructure in urban planning to bio-materials for zero-energy buildings, reintroducing nature back into cities can alleviate the impacts of climate change while reducing emissions. COWI presented 'Nature-based solutions for urban planning'.

In addition, a series of four white papers were written, all on the topic of

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 health and safety
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multifunctional sustainable land use in peri-urban areas. COWI coordinated the papers and authored one of them.

The ongoing KIC project is Pathfinder, which aims to create climate smart eco-based agro-forestry through green business innovation for local production and distribution, and to contribute to social sustainability and integration. Local green sustainable development in peri-urban areas and in interaction between urban and rural areas can contribute to creating new jobs and improve social cohesion. At the same time, the project creates an arena for creative professionals, entrepreneurs, producers and public sector in the field of sustainable and innovative eco-agroforestry.

CLIMATE CHALLENGES

COWI recently assisted the Norwegian county of Vestfold in developing a plan

for dealing with too much water caused by extreme rain or cloud bursts. Six of Vestfold's municipalities signed up for the project in order to strengthen their decision-making basis for meeting the challenges of climate change. A clear trend in urban areas is the multifunctional utilisation of areas for water management. This can be parks, recreational grounds, and areas for sports. These areas often combine aesthetic, landscape and water technology features. Overflow solutions suggested in Vestfold were, among others, the decoupling of tide from the sewage system, local digestion ponds and the reopening of streams.

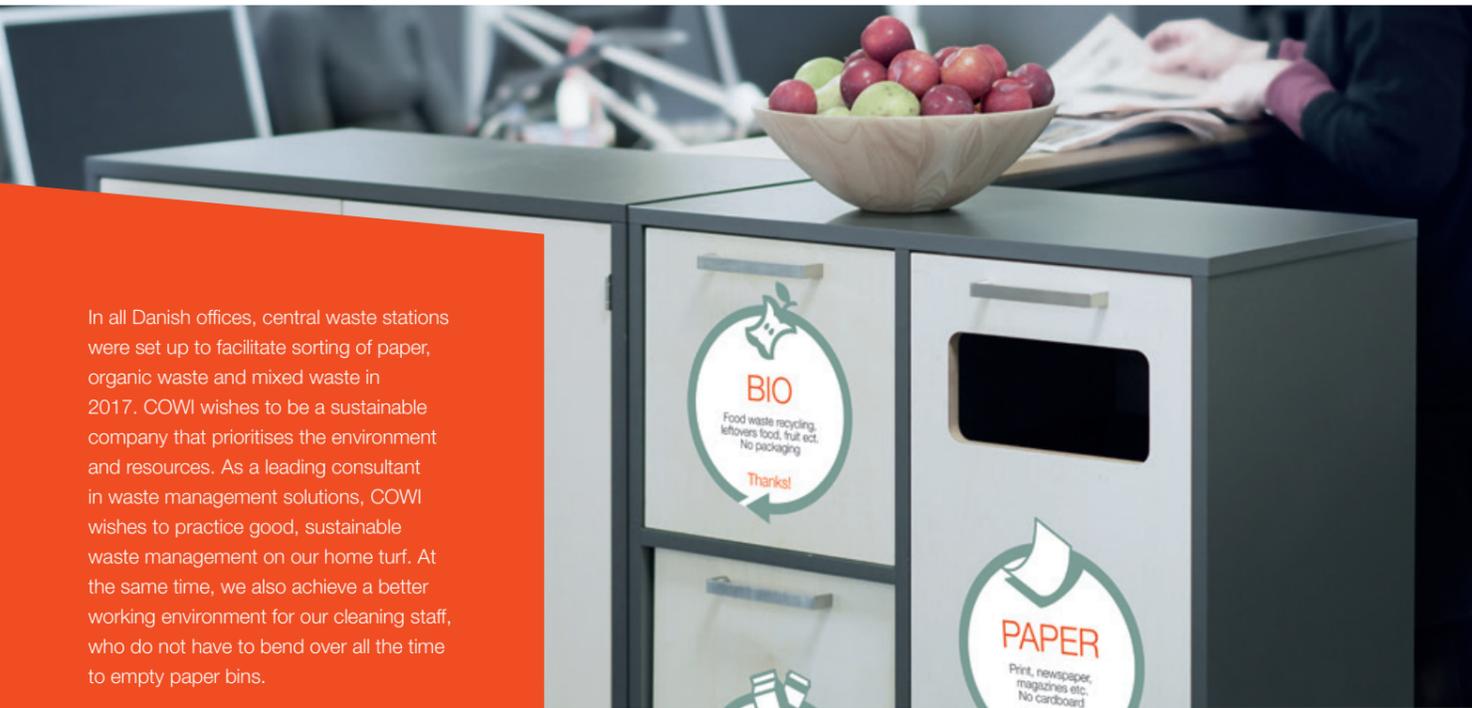
There is no doubt that water management needs to be an integral part of the cityscape in the future. COWI has in recent years seen a steady increase in climate change assignments globally. They range from small consulting projects such as the above to major storm water projects in capital

METRO IN NORWAY'S CAPITAL CITY

The Fornebu Line is the future Oslo Metro section from Majorstuen to Fornebu. The line will link Fornebu in Bærum to the train stations at Lysaker and Skøyen and to the metro network at Majorstuen. The metro line is yet another example of introducing rail transport in order to reduce the number of cars in the cities and thus obtain cleaner air. The metro line will cover 8.2 kilometres from the centre of Fornebu to Majorstuen, and around 5.6 kilometres of the section will pass through Oslo. COWI has in recent years fortified its position as a leading designer in large metro projects, and is thus able to assist a growing number of cities in their desire to become more sustainable.



Credit: PLACEDO EFFECTS FOR RUTER AS



In all Danish offices, central waste stations were set up to facilitate sorting of paper, organic waste and mixed waste in 2017. COWI wishes to be a sustainable company that prioritises the environment and resources. As a leading consultant in waste management solutions, COWI wishes to practice good, sustainable waste management on our home turf. At the same time, we also achieve a better working environment for our cleaning staff, who do not have to bend over all the time to empty paper bins.

GREEN ACCOUNTS

As part of our reporting on the Communication on Progress, COWI in Denmark publishes our carbon footprint for a given year and the trend for the last 5 years. Data covers activities in Denmark, including corporate functions and the Danish part of our major business line, Bridge, Tunnels and Marine Structures.

In 2017, we saw a slight overall increase compared to 2016 in our environmental footprint as shown in the graphs to the right. This is primarily due to a different methodology on calculation of emissions from air travel increasing the emissions per flown kilometre. The numbers displayed are CO₂ equivalents, thus encompassing all greenhouse gases. Per employee we are at the same CO₂ emission level as in 2015.

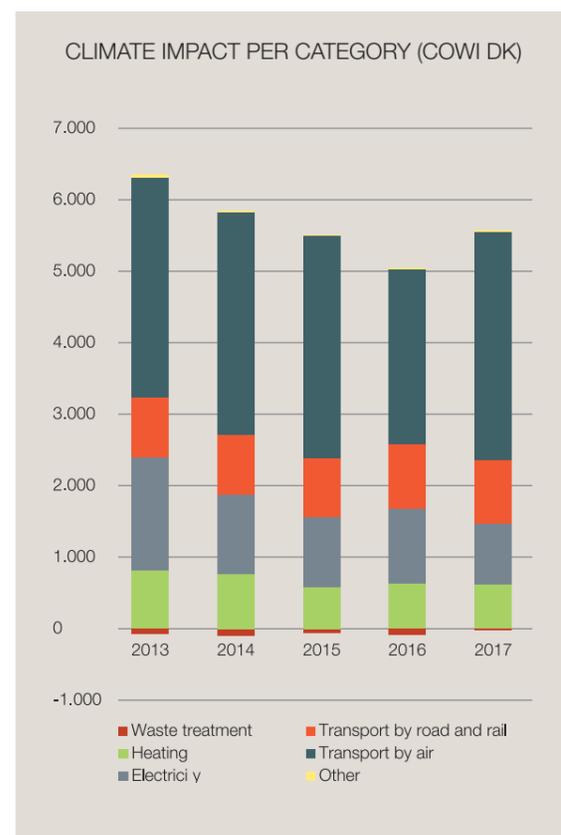
Since 2012, we have decreased our CO₂ emissions per employee by 20 % and since 2008 by 47 %. The decreasing emission factors for electricity in Denmark and the

renewal of the car pool, among other things, contribute to this positive development together with a constant strive to reduce the use of heat, electricity and water.

Emissions from energy consumption (heating and electricity) decreased as well as the consumption per employee and per square meter office space compared to 2016.

Finally, the recycling of waste lead to CO₂ savings of 40 tonnes in 2017. This is lower than previous years, but due to a decrease in paper consumption recycling has also decreased. The amounts of organic waste for recycling increased fivefold showing the effect of the increase in waste sorting at all of the local offices.

Air travel, as always, accounts for a large part of our climate impact in Denmark: 58 per cent in 2017. The impact per employee in 2017 is 1.4 tonnes CO₂ compared to 1.7 tonnes CO₂ in 2012. In these figures, the



calculations of CO₂ emissions have been further detailed and the calculation method changed in 2017 compared to 2016, hence the CO₂ emissions per kilometre flown have increased due to improved data quality. There was a slight decrease in kilometres flown.

Next year we plan to expand the green accounts to cover more offices around the world. The individual offices already do great work in increasing sustainability at our work places. This year we account for more offices for the largest CO₂ contributor, air travel. In 2017, offices in the following

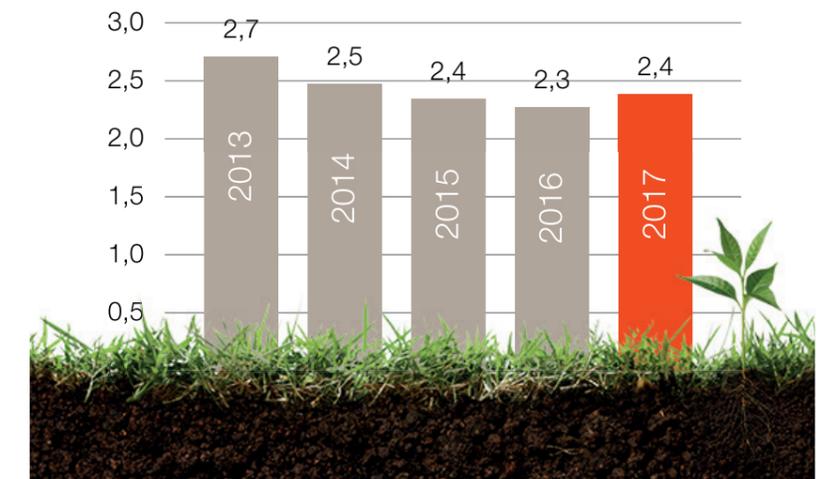
countries, Belgium, Canada, Denmark, India, Norway, Sweden, United Kingdom and United States of America, contributed with 8,000 tons of CO₂ equivalents.

GUIDELINE: SUSTAINABLE SUPPLY CHAIN

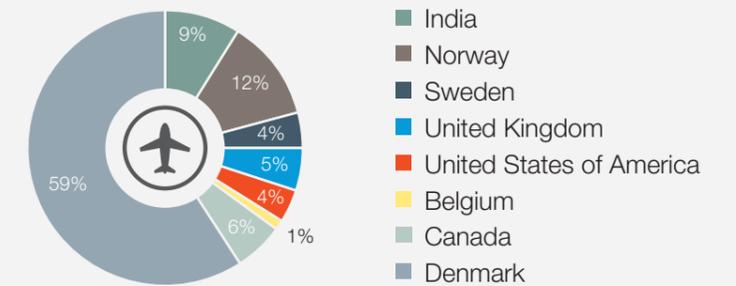
COWI procures goods and services at the best terms, assessing total costs, quality and sustainability. To meet our objective, we will:

- › integrate sustainability requirements in our supplier and sub-consultant approval process.
- › give preference to water and energy-efficient products to reduce consumption rates.
- › give preference to environmentally friendly products and recyclable products.
- › avoid products containing hazardous substances.
- › consider the emissions of CO₂ when booking business trips.
- › consider whether a business trip can be replaced by a video conference or other information and communication technology.
- › report on the results of our efforts.

CLIMATE EFFECT PER WORK STATION



CLIMATE EFFECT FROM FLYING 2017



Many of COWI's projects involve the use of supervision cars and car travel in project contexts. We pursue different policies for reducing our carbon footprint in Scandinavia. In Denmark and Norway our fleet consists of electric cars or hybrid cars which have proved to be highly popular among employees. In Sweden we have entered into an agreement with Sunfleet so that we are able to borrow a car when we actually need it.

Emissions from road transport in Denmark in private cars have decreased compared to 2016, but since 2012 emissions have increased. The emissions from transport in COWI supervision cars have decreased more than 10% compared to 2016 due to the continuing switch to hybrid and electric cars in the COWI fleet and also fewer kilometres driven.



ANTI-CORRUPTION

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

AGAINST ALL FORMS OF CORRUPTION

We strongly believe and every day we prove 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 member of 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 with 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

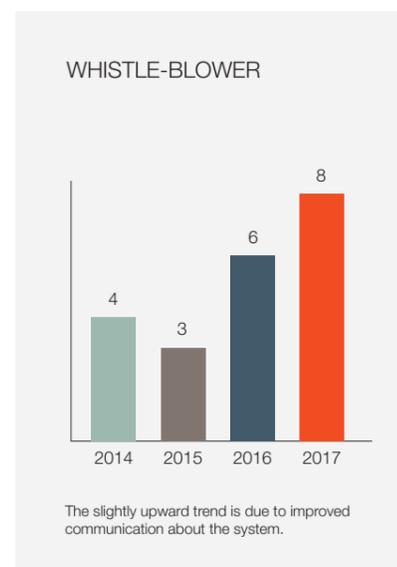
In 2017, COWI's business integrity compliance project began the implementation of a group-wide roll-out of our new third party due diligence practice, which, when completed, will include an increased number of partners and customers in relation to anti-corruption. This includes significant changes to existing processes and IT systems. Further, a new global business integrity training programme was carried out in 2017 with mandatory e-learning for all employees in COWI. In the future, all new employees must complete the course.

As part of our risk management system, COWI reviews twice a year 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. We apply enhanced risk management, if exceptionally a project is carried out in one of those places. In 2017, 96 countries were on the list.

WHISTLE-BLOWER USE

Eight cases were reported into our whistle-blower hotline in 2017 as opposed to six cases in 2016. These were all reported to the Board of Directors, investigated at corporate level or passed on to local management for follow-up.



MÅLARENERGI

The Swedish town of Västerås is working on becoming a sustainable society. In order to reach the goal of becoming completely free from coal and oil fuels by 2020, the combined heat and power station, Mälarenergi is building a new CHP Block in Västerås. The new CHP Block will use recycled wood instead. COWI has been commissioned to design the foundations for the new CHP. The project fits in well with COWI's ambition to help customers and society become sustainable.

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

All policies are available at www.cowi.com/sustainability and www.cowi.com/policies

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 whistle-blower are investigated, and appropriate action taken.
- › allow everyone, including employees, former employees, sub-contractors, agency staff and business partners, to use the 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 whistle-blower publicly available via www.cowi.com.
- › continuously train our employees to maintain our culture of integrity and honesty and inform them of the 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.

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.

EASYMINING: RECYCLING PHOSPHORUS FROM WASTE >

In order to recycle phosphorus from waste, EasyMining, a Swedish mining company, has developed a process that recovers phosphorus from ash after the combustion of sewage sludge. The technology has a very high recovery rate of phosphorus, and helps reduce the need for extraction from virgin raw materials. COWI was commissioned to develop and design a full scale industrial process. For COWI it is an exciting challenge to take part in EasyMining's Ash2@Phos projects, because the technology is a breakthrough for resource-efficient phosphorus recovery.



< CLIMATE RESILIENT INFRASTRUCTURE
DEVELOPMENT FACILITY, SOUTH AFRICA

An increasing water demand due to population growth and economic development coupled with a more variable water supply caused by the impacts of climate change put heavy demands on the water supply in the SADC region. Therefore, the SADC states need to strengthen their cooperation over shared waters to avoid the risk of conflict and undermining of development gains. COWI will together with WYG provide technical assistance to ensure the water supply infrastructure interventions and facilitate the advancement of transboundary water management by SADC member states.

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