

COMMUNICATION  
ON PROGRESS

2018

2018 UN GLOBAL COMPACT



COWI



< CLEANING OF THE PUDDEFJORDEN, NORWAY

A major part of the seabed outside Bergen, Norway, was heavily polluted by heavy metals and organic environmental toxins. Quicksilver from dentist clinics, waste from shipyards and old industry, house paint with PCB – all of these elements and many more filled the seabed and made the fjord one of the most polluted port areas in Norway. With a new and immaculate sea bed the Puddefjorden is the first of three fjords to be cleaned. The Puddefjorden was officially declared clean 17 September 2018. COWI was lead consultant on the entire project.

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# COMMITMENT FROM OUR CEO

In COWI, sustainability is part of our vision and incorporated in our business model. In a world where urbanisation and increasing populations are a fact and climate change is a reality, societies and customers need solutions that are effective and sustainable, and which enable quality of life for the entire community. COWI supplies sustainable solutions as we have done for more than 89 years. Every day, we strive to deliver high quality, smart and sustainable solutions that meet the needs of societies and customers around the world.

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

Today, climate change, urbanisation and their many associated effects are daily frontpage news, and thus ever higher on the agenda of global leaders and businesses. The coverage by the media and expectations voiced by ordinary people at the COP 24 Katowice 2018 conference in December 2018 were sharp and persistent, and increasingly in our interaction with customers and societies, we meet clear recognition of the need to work actively with the UN's Sustainable Development Goals on a daily base.

There is no doubt that sustainable growth is the only way to deal with the challenges facing the global community these years. Many countries are beginning to translate sustainability into new legislation and voluntary standards, and we welcome this development. It is necessary for the future of our children and grandchildren, and it provides COWI with interesting and meaningful business opportunities now and in the future.

2019 will be the year where COWI takes a decisive step towards introducing the SDGs into our own business model. There are five to which our services can contribute particularly: 6, 7, 9, 11 and 13, but SDG 11 '*Sustainable cities and communities*' expresses our vision and integrates and encompasses, in many ways, almost all our services.

Thus, in our day-to-day business, short-term and long-term, 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, Chief Executive Officer





### NYE, DENMARK

The new town of Nye, Denmark, housing up to 15,000 people, is a greenfield project. An innovative rain water solution will ensure a major saving of up to 40% in the use of groundwater. The new rainwater system collects rain water from roofs, roads and parking areas in a water management system which provides high recreational value to the town in the form of open channels, ditches, ponds and rain water lakes. From a rain water lake, the water is cleaned and distributed to the households for toilets and washing machines. The new rain water system will reduce the use of groundwater by 30 million litres annually. COWI developed the concept and design of this comprehensive solution.

# 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 society impacts into consideration.

Our chief potential for living CSR and for reducing 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 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 people.

### 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 that can meet the challenges. COWI's engagement in metro, light rail and BRT (Bus Rapid Transport) solutions in Denmark and Norway 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. These threats need to be overcome by, for example, low-energy buildings, security measures against adverse weather, and effective waste master plans. One COWI project deals with assisting the city of Ulaanbataar, Mongolia, in dealing with its solid waste problems by improving the service quality and effectiveness of waste collection and transportation in the city areas.

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 apply a health and safety screening, as well as security,

environmental, social and community outcomes for 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 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.

## AT THE END OF 2018, 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](http://www.cowi.com/sustainability)  
[www.cowi.com/policies](http://www.cowi.com/policies)

### ANHOLT COAST, DENMARK

After the November storm in 2011, the islanders on the small island of Anholt in the Kattegat Sea woke up to a main road that had been washed away. The road had been exposed to years of wind and wave erosion, and more sand was removed by erosion than brought in by waves and currents. COWI was involved in remedying this situation in early 2013 and came up with a concept that aims at coastal protection with fewer, but larger structures. The solution also improves bathing safety and recreational values, and the coast can be used for swimming, snorkelling, fishing, windsurfing and kite surfing. The new structures proved their worth in the January 2019 winter storms when they were able to withstand the heavy seas rolling in from the North.



# COWI'S BUSINESS MODEL AND CSR RISK ASSESSMENT



2018 is the first year that we report on our business model and discuss the CSR risks involved. Therefore, we consider 2018 to be a baseline year for reporting on the business model in the 2018 COP report. This implies

that in some cases we do not have figures from 2017, or we do not have figures for 2018. However, our ambition is to make sure that we have all necessary data for the 2019 report.



## 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, navigation in a constantly changing political environment demands 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 75 in 2017, knowledge of values scored 73. 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. We will include the questions regarding mission, vision and values in our annual engagement survey as of 2019, instead of only including them every other year.

- Flexibility in the organisation is measured by the number of projects involving employees from more than one business line. 14% of COWI's 2018 projects involved employees from more than one business line. It is our ambition to increase that proportion and our target for 2020 is 20%.

## ENGAGEMENT SURVEY SCORING

In our annual 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 business environment of customers and the customers' 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 and 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 require the intervention of the Executive Board.

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

- Training courses in anti-corruption are mandatory for all COWI staff.

All COWI employees undergo business integrity training every third year. In 2018 the degree of completion was 64% as opposed to 66% in 2017. The decrease from 66% to

64% 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. Our target for 2019 is to increase completion rates from the current 64% to 75%.



## 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

The overall engagement score of our employees has increased by one, i.e. from 75 in 2017 to 76 in 2018. Our target for 2020 is 77 (please see box about engagement score on page 9).

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

In 2018, there were 9 whistle-blower incidents as opposed to 8 in 2017. Please find more information concerning COWI's whistle-blower system on page 22.

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

In 2018, 2742 unique participants took part in COWI's training activities via the COWI Academy while 1849 took part in 2017. The increase is to some extent explained by the roll-out of the EU's General Data Protection Regulation and a number of internal courses dealing with new work methods. However, the main increase is due to a range of new courses.

## 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 nor 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 COWI's customers

expect. Responsible project management entails that quality management is integrated in every phase of project execution and therefore a strong mitigating factor.

### HOW WE FOLLOW UP

- › Customer satisfaction is followed closely through the Net Promoter Score
- 2018 was the first year that COWI applied NPS or Net Promoter Score to the entire business. The score was 32 per cent which is not where we want it to be. Our target for 2020 is 38 per cent.

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

Most of COWI is certified according to ISO 9001 and ISO 14001. In 2019 the outstanding countries will receive certification. 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 striven 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 will be the first year where we assign new projects to the SDGs. There is therefore no data for this KPI.

- › We measure COWI's environmental impact

Please find a detailed presentation of COWI's environmental impact on pages 18-21.

# SUSTAINABLE DEVELOPMENT GOALS

COWI's services within Infrastructure, Energy, Water & the Environment and Building 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 where we have 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 where we have discussed challenges facing societies and possible solutions. It is therefore natural that SDG 11 will take priority in our work with the SDGs and in our communication.

We are committed to working with the SDGs so that we create value for customers, society and our business. In 2019, we will start to categorise 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.

## MEASURING CONTRIBUTIONS TO THE SDGS

In 2018, the COWI Foundation allocated means to the development of a tool for making the UN Sustainable Development Goals measurable. The tool will be developed by staff from COWI and the Technical University of Denmark. The aim is to make a screening tool which is simple, operational and science-based and which can measure the performance of projects, products or systems in relation to the SDGs. It is to be used in strategic SDG work by decision makers in public authorities and private companies. The tool will focus on SDGs where Denmark faces the largest challenges and opportunities to contribute with solutions. It will make use of quantitative and life cycle-oriented measurement methods by incorporating well-established methods and developing new ones.

The project has a two-year life span which started at the beginning of 2019.

## THE GLOBAL GOALS For Sustainable Development



# HUMAN RIGHTS

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

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

## 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 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 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

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 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.

All new employees are introduced to these three procedures as part of COWI's onboarding 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.

## HEALTH AND SAFETY AT WORK

The special focus on the psychosocial working environment in 2017 paid off in 2018 and was translated from a leader focus area to concrete activities locally. Awareness about the need for a healthy psychosocial environment became far more widespread with many departments holding local development seminars about psychosocial factors and how to prevent work-related stress.

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 risk of physical work injuries is very low in COWI's operations. In 2018, we are for the first time reporting on the global figures for injuries with absence from work which was 24. Although our aim is zero injuries, we estimate that the figure is low.

## 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](http://www.cowi.com/sustainability) and [www.cowi.com/policies](http://www.cowi.com/policies)

## 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 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 onboarding programme.

In 2018, COWI's Executive Board decided to extend the Health & Safety project initiated in 2016 covering COWI operations in Denmark to include the entire COWI organisation. The aim is to achieve occupational Health & Safety certification according to ISO 45001:2018 for COWI as such. The ISO 45001:2018 project started in Denmark in 2018. COWI in Sweden and the UK are already certified according to OHSAS 18 001 (Occupation Health and Safety Assessment Series), but the OHSAS certification will be replaced by the new ISO standard which will apply to all of COWI. The time plan for actual roll-out is yet to be decided.



## LOWER THAMES CROSSING – HSSW

Lower Thames Crossing is a new road under the River Thames estuary East of London linking London's North and South East. COWI is contributing to preliminary design on the 20km road and 2.5km bored tunnel. Randi Christensen is lean leader. "On this project Health, Safety, Security and Wellbeing (HSSW) are integrated into our project management system. For instance, all our meetings start with a 'Safety and Reflection moment' where we reflect on issues or experiences relevant for the team. The aim is to create awareness about safety a natural part of our every day. We also have regular campaigns focusing on specific issues like stress, health or mental health. One campaign led me to change my commute, so that I now walk to work from the station instead of taking the tube. I also work actively to promote safety in design decisions."

## 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

# 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 6,800 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 78 different nationalities at all career levels.

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

In 2018, 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.

## WOMEN IN MANAGEMENT

Our aim is to increase the number of women in management, which is a key issue in COWI's diversity action plan for 2020. Therefore, gender diversity is a focal point in leadership training and talent programmes. We are not progressing in this field as we would like to, and we will therefore continue to focus on generating a strong pipeline of female successors via our annual people review.

The share of women in management was in 2017 24 per cent, and remains in 2018 also at 24 per cent compared to 30 per cent of all employees being women. It is our ambition that the proportion of women in management reflects the number of women in the business as such. Our target for 2020 is 25 per cent.

As we were unable to meet our target of having at least two of COWI's six board members women by 2018, we renewed our goal for 2020. In 2018, we had one female board member, and we will continue to work on finding candidates of both genders who meet our requirements.

## EMPLOYEES IN THE COWI GROUP 2017-2018

|                     | 2017  | 2018  |
|---------------------|-------|-------|
| Employees           | 6,599 | 6,770 |
| Average age, years  | 42    | 42,5  |
| Women               | 30%   | 30%   |
| Men                 | 70%   | 70%   |
| Women in management | 24%   | 24%   |

## KEY ACTIVITIES AND OUTCOMES

During 2018, 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 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 meet this obligation, COWI India 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 COWI India, we are able to contribute with relevant education and employment opportunities.

## NOIDA DEAF SOCIETY SCHOOL

Our contribution underpins 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 unit.

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.



## 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.

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-conscious policies and initiatives on the efficiency needs of our customers and our organisation. The data to document our progress has this year been extended to cover all COWI activities and not only our activities based in Denmark, as we have done up until now. The 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 locally run campaigns and events to increase awareness of sustainability and 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. In all our solutions 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 2018.

### CLIMATE KIC NORDIC

In 2018, Climate KIC and the COWI foundation supported the development of six Natural Capital Accounting (NCA) pilot projects. Natural Capital Accounting is a fairly broad concept encompassing Environmental Profit & Loss (EP&L). In Environmental Profit & Loss terms 'profit' alludes to any company activities which benefit the environment while 'loss' alludes to any activities which detract from the environment. Such an approach enables an enterprise to prioritise its actions and to take a holistic view to its financial and environmental results. The six NCA projects were made with major companies such as Arla, Danfoss and Velux.

### UNCOVERING THE COST OF NON-COMPLIANCE

COWI is at present carrying out a study for the EU about the effectiveness of EU environmental law. The effectiveness depends on the degree of its implementation at member state, regional and local levels. Complaints about non-compliance and a high number of infringement cases indicate that implementation is not at the level it should be. A previous study also carried out by COWI for the EU in 2011 showed that implementation gaps are costly to society both with regard to the health of citizens and with regard to the environment, more specifically the condition of water, landscapes, flora and fauna.

The mapping of the 2018 implementation gap cost estimate is based on the following policy areas: air and noise, nature and biodiversity, water and marine, waste, chemicals, industrial emissions and major accident hazards, and horizontal instruments. These seven policy areas differ in the way the various EU Directives and Regulations intervene to improve the environment, including how specific they are with regard to the environmental targets they aim to achieve.



### RWANDA BRIDGES TO PROSPERITY

The Sebeya river near the Kigarama-Musabike community in Rwanda is impassable 45 days of the year. This means that pupils cannot attend school, tea plantation workers cannot get to work safely and residents are isolated from the nearest health centre and market. In 2018, COWI and WilkinsonEyre Architects backed the construction of the 46-meter Kazabe Suspension Bridge by supporting the voluntary participation of five colleagues from both companies. These 10 young volunteers built the actual bridge with help from the local communities. The new bridge provides safe, year-round access to the health centre and market, and it is already transforming lives in the community.

The study looks at each policy, its contribution to the environmental targets, the implementation gap and finally the implementation gap cost by assessing the impact on human health and the environment from not having achieved the environmental target. The study will be completed in 2019.

### CRIDF

Fresh water resources are under enormous pressure in Sub-Saharan Africa due to population growth and climate change. The UK Aid-funded Climate Resilient Infrastructure Development Facility (CRIDF) is mobilising major investments in the water sector across the 12 countries in the Southern African Development Community (SADC). These investments are made in sustainable water management, building resilience to the impacts of climate change and preventing water-related conflicts across borders.

The programme is demand-driven and focuses on water services, water resource management and water for livelihoods, to foster the sustainable development of the region's water resources and addressing the water, food and energy nexus. The aim is to create sustainable small-scale infrastructure across the 12 countries.

CRIDF's seeks to work with governments, businesses and other organisations in the Southern African Region on the scope and design of key transboundary water projects. Best practice is used to ensure that they are both pro-poor, and fundable/bankable investment opportunities.

CRIDF's focus is on sharing technical expertise with local engineers on water infrastructure projects, i.e. capacity building. The skills that the engineers learn include holistic design approaches, climate-resilient techniques, as well as approaches that benefit marginalised groups. These skills are then transferred to many other projects and engineers across the region to ensure that the future of infrastructure planning and operation is secure, when CRIDF ends.

In 2018, a rehabilitated water supply scheme in the Newala District in Tanzania was among the projects added to CRIDF's result list. The scheme ensures sustainable water supply for approx. 380,000 people. COWI's role is together with WYG to provide technical assistance for the entire CRIDF programme across the SADC countries.

## POLICIES, PRINCIPLES AND TOOLS RELATED TO ENVIRONMENTAL PROTECTION

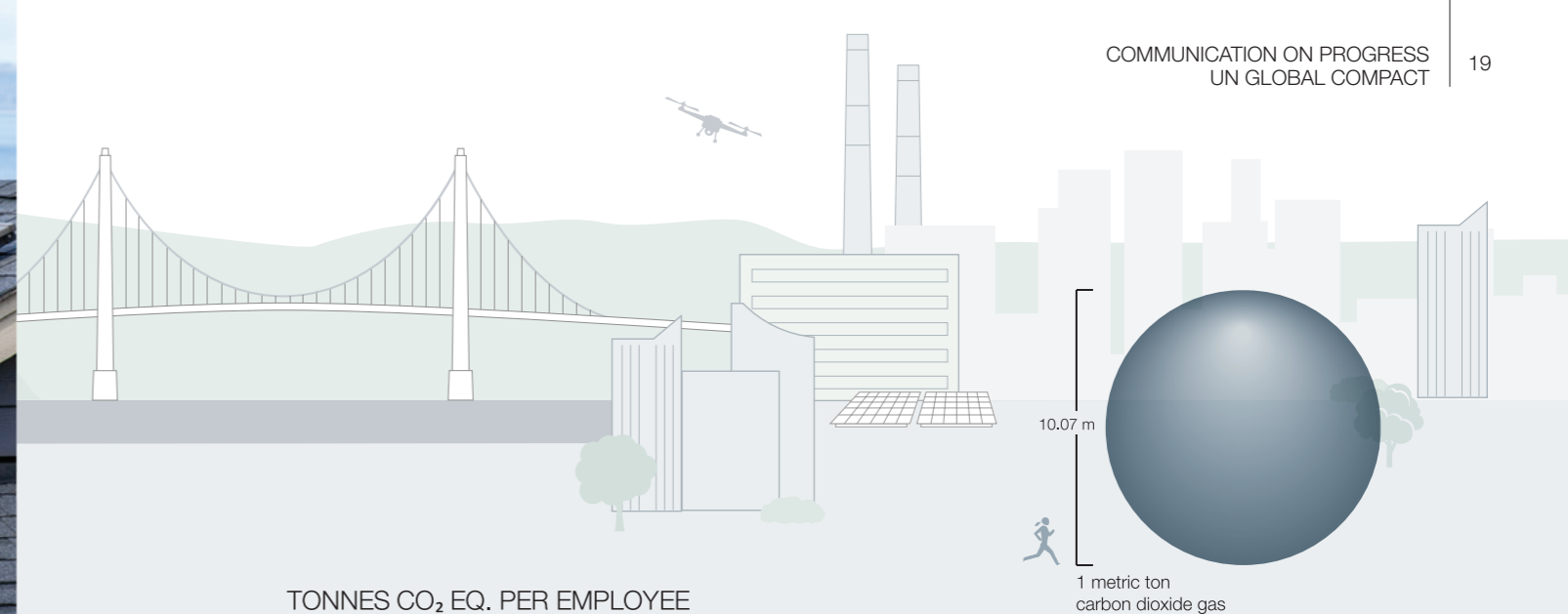
- › Respect is one of COWI's five values
- › Policy on sustainable development
- › Policy on diversity and inclusion
- › Policy on health and safety
- › FIDIC Code of Ethics, adopted by COWI

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

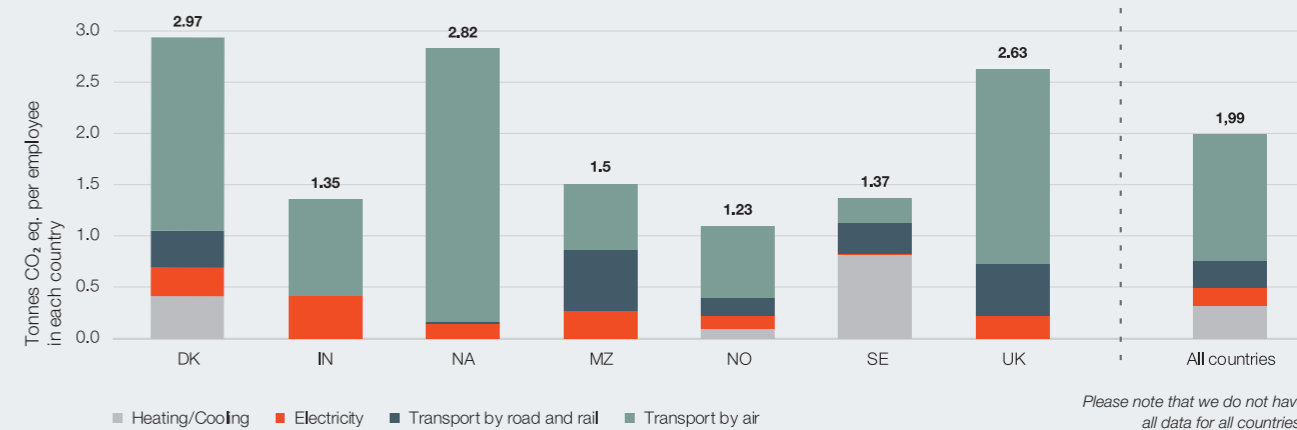


### SOLAR CELLS, SWEDEN

The Municipality of Gothenburg, with its approximately 2000 buildings, aims to cover 50% of its electricity consumption through the own production of energy from solar power by 2030. As a first step in this project, the municipality has set aside SEK 60 million for the instalment of solar cells and ancillary equipment for 2018–2021. COWI is assisting the municipality with the technical aspects of the project and coordinating plant instalment with a view to achieving sustainable and cost-efficient plants. The work includes all construction aspects ranging from building legislation, project specifications, project management to follow-up. The basic principle is that all new buildings get part of their electricity consumption covered by solar cells on their roofs or facades.



### TONNES CO<sub>2</sub> EQ. PER EMPLOYEE IN EACH COUNTRY



# GREEN ACCOUNTS

Until 2018, the green accounts reported in this Communication on Progress represented solely COWI's activities in Denmark. However, in 2018, a decision was made to expand data collection to include as many COWI offices as possible with more than 30 employees. 2018 is therefore the first year that data on energy consumption as well as air and road transportation have been collected from many of the offices. We expect data collection next year to include even more offices and employees, as well as be more detailed reaching a higher degree of accuracy.

TABLE 1 shows the share of employees and number of offices covered by the data collected.

| DATA ON                         | EMPLOYEES | NO OF OFFICES |
|---------------------------------|-----------|---------------|
| Energy                          | 84 %      | 28            |
| Transportation by road and rail | 89 %      | 29            |
| Transportation by air           | 95 %      | 70            |

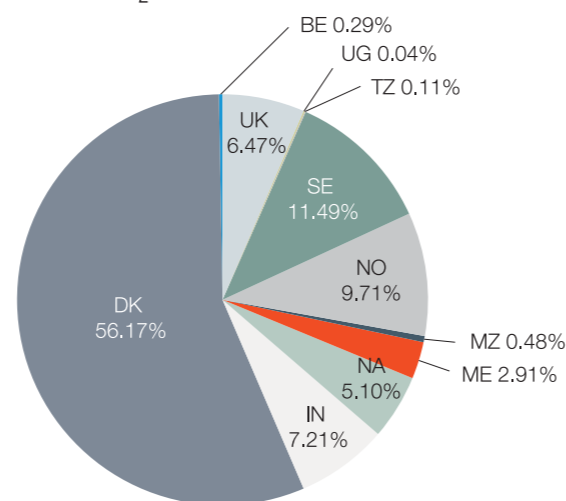
In the preceding COP reports, the Denmark based activities also reported on waste management, water and paper consumption, as well as delivery of letters and parcels. However, these proved only to account for a few percentage points of the CO<sub>2</sub> emissions, and we have therefore decided to discontinue reporting on them.

The CO<sub>2</sub> emissions shown are in CO<sub>2</sub> equivalents, thus covering all greenhouse gases (CO<sub>2</sub>, methane and nitrous oxide).

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

Total emissions amount to 13,400 tons CO<sub>2</sub> eq., which equals an emission of 2.2 tonnes CO<sub>2</sub> eq. per full time employee. The emissions vary from country to country both due to 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.

### Total CO<sub>2</sub> EQ. (tonnes)



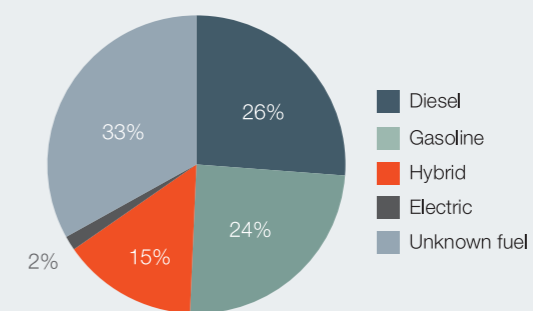
The largest emissions origin from Denmark, followed by Sweden, Norway and India.

### TRANSPORTATION

Emissions from road and rail transport (private cars, supervision cars, company cars and train) amount to 1,730 tonnes CO<sub>2</sub> eq., which is 13 per cent of COWI's total emissions. This corresponds to 11 million kilometres driven, equalling 1,800 km per full time employee in 2018.

The fuel for supervision cars is divided into five categories and presented below as COWI is able to influence the choice of fuel.

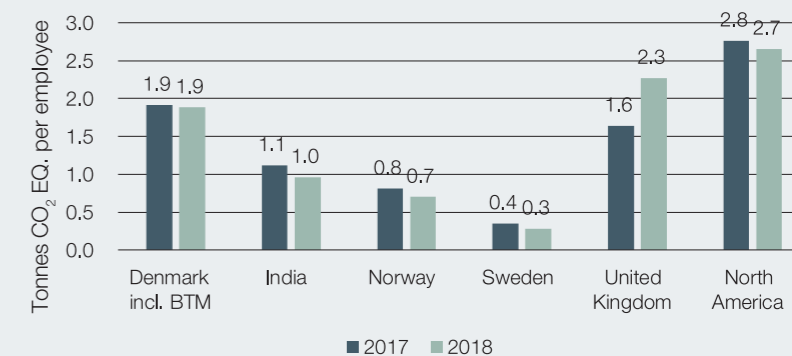
### Fuel in supervision cars



Air travel, as always, accounts for a large part of our climate impact: 62 per cent in 2018 or 8,360 tonnes CO<sub>2</sub> eq. This stems from 46.5 million kilometres flown, which equals 7,600 km per full time employee in 2018. The impact per full time employee in 2018 is 1.4 tonnes CO<sub>2</sub>.

Overall there was a slight decrease in emissions from air travel per employee. We collected air travel data from some of our key operating countries in 2017, and are therefore able to compare 2017 results with 2018.

### CLIMATE EFFECT FROM FLYING 2018

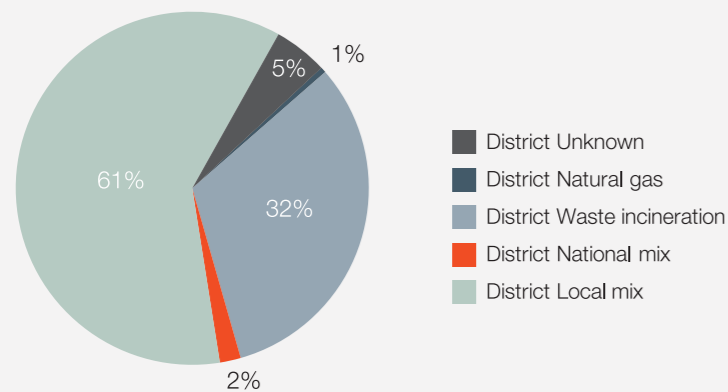




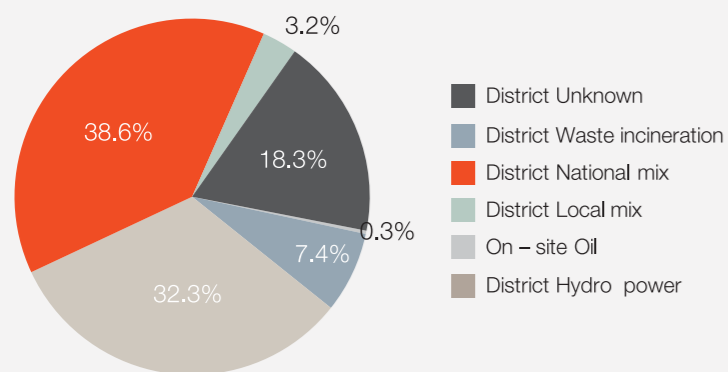
### CLIMATE NEUTRAL BUILDINGS, LIDL

Europe's largest retailer, Lidl, is driving the development of sustainable retail parks in Sweden. Today, with the environmental certification BREEAM Outstanding, Lidl has some of the greenest shops in the world. Lidl's new shop on the island of Gotland is taking the next step and piloting new certification called AdvancingNetZeroCO<sub>2</sub>. To be able to meet the high requirements of this certification Lidl has engaged COWI's help. The Building Sector as such accounts for more than 20% of global emissions of carbon dioxide, and the aim of AdvancingNetZeroCO<sub>2</sub> certification is to avoid any emissions whatsoever of carbon dioxide during the life-time of a building. This is achieved through the use of environmentally-friendly building materials, reduction of energy use during construction and the promotion of energy efficiency.

Heating and cooling, energy source



Electricity, energy source



### ENERGY

Emissions from energy consumption (heating, cooling and electricity) amount to 3,350 tonnes CO<sub>2</sub> eq., which is 25 per cent of our total CO<sub>2</sub> emissions. The emissions come from a consumption of 13,700 MWh energy, which results in 129 kWh per square meter of office space. 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.

Energy consumption from heating and cooling is around 45 per cent, while the remaining 55 per cent is from electricity (some though also used for heating/cooling). CO<sub>2</sub> emissions from heating and cooling account for about 60 per cent and electricity for about 40 per cent which is due to lower CO<sub>2</sub> emissions from electricity in some countries.

COWI has no influence on the CO<sub>2</sub> factor for national electricity mixes. On the other hand, we are able to influence consumption and sometimes also able to choose energy supplier or the energy source. The share of energy origin is shown to the right for heating/cooling and electricity, respectively. District heating, solely used in the Scandinavian countries, stems primarily

from local mixes of energy sources. The local mixes can be a mix of e.g. biomass or natural gas. In cases where a CO<sub>2</sub> factor for the local mixes was not published or the source unknown, a conservative estimate was applied (natural gas). Where the electricity source is unknown, the national mix was applied.

### OTHER SUSTAINABILITY INITIATIVES

Apart from consumption of energy and transportation, COWI's business lines as well as individual offices have implemented sustainability initiatives around the globe. Initiatives range from organic meals in the canteen to automatic lighting and cycling to meetings near-by. Some of the initiatives are described in the boxes on this page.

### LOCAL SUSTAINABILITY ACTIONS IN COWI OFFICES:

- 10 offices have environmental initiatives in their canteens – they offer e.g. organic, local and/or vegetarian

- food and/or they promote vegetarian/ more sustainable food (putting it first, making posters about it or the like) or focus on decreasing food waste, e.g. by serving food on smaller plates)
- 10 offices have bicycles available for near-by meetings
- 1 office promotes tax exemption on public transport (to/from work)
- 13 offices have automatic lighting, and
- 3 offices work with reducing single-use items.

### ACTIONS PLANNED BY A SELECTION OF COWI OFFICES FOR 2019:

- Purchase of additional company bicycles at the Gothenburg office, Sweden
- Improved energy efficiency at the office in Malmö, Sweden
- Low energy lighting for Stenungsund office, Sweden
- Norwegian headquarters in Oslo will improve plastic sorting.

BUSINESS LINE SWEDEN held an event on the future of Gothenburg with the theme "The impact of climate change on urban development". The event achieved the environmental diploma issued by the highly recognised Swedish Environmental Base standard, an association which unites different types of environmental certification.

BUSINESS LINE NORWAY is certified according to the Norwegian Eco Lighthouse certification (similar to EMAS ISO14001). This certification involves environmentally-friendly procurement, registration of energy consumption as well as road and air travel. The requirements also involve environmental management which has to be demonstrated in projects carried out for customers, and COWI in Norway is working towards achieving this.

### SINGAPORE, DTSS

Singapore is building a Deep Tunnel Sewerage System (DTSS) to meet its long-term needs for used water collection, treatment, reclamation and disposal. The aim is to increase the water-recycling rate from 40% to 55% of total water demand in the long term. DTSS will free up 193 hectares of land by phasing out pumping stations and old water reclamation plants on the land-scarce island. The scheme uses deep tunnel sewers to convey used water by gravity to water reclamation plants, where it is purified into ultra-clean, high-grade reclaimed water, or discharged to the sea through outfalls. The first phase of DTSS saw the construction of a 48km-long deep sewer tunnel in the east and north of Singapore. Phase 2 stretches 30km across the western part of Singapore. COWI is together with CPG Corporation responsible for the design of the 7.9km-long section of sewer tunnel, with a 6m internal diameter, as well as shafts, hydraulic structures and other facilities associated with the sewage conveyance system. Construction is scheduled to be completed by mid-2023.



# ANTI-CORRUPTION

**10** PRINCIPLE:  
Businesses should work against corruption in all its forms, including extortion and bribery.

## 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 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 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

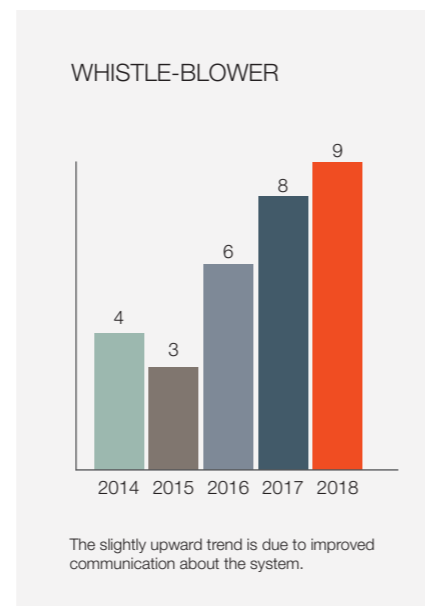
In 2018, COWI's business integrity compliance project continued to develop third party due diligence practice of all customers and collaboration partners, and COWI's global business integrity training programme successfully continued in 2018 with mandatory e-learning for all employees in COWI.

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 2018, 102 countries were on the list, an increase from 96 in 2017.

### WHISTLE-BLOWER USE

COWI's whistle-blower system is functioning as it should, because it is used. Nine cases were reported into our whistle-blower hotline in 2018 as opposed to eight cases in 2017. These were all reported to the Board of Directors, investigated at corporate level or passed on to local management for follow-up.



## URBAN DEVELOPMENT, NORWAY

Since the 1920s, the area known as the 'silo quay' on Odderøy has been a key part of the port of Kristiansand. The quay was vital to the transatlantic traffic, when the Norwegian America Line ships carried grain to the States and the South America Line boats took salted cod to South America. Today the area is known by a different name – Kanalbyen – and it is earmarked for homes and business premises in a large-scale urban development project. The former port activities caused some parts of the site to be polluted. COWI is preparing an analysis of the contamination of soil and drawing up action plans for soil and sediments over an area of approx. 32,000 m<sup>2</sup>. In addition, plans are being provided for treating sediments in the sea and polluted soil on land. Alternative uses for the materials in the area are a major part of the project.

## 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](http://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.

## 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](http://www.cowi.com/sustainability) and [www.cowi.com/policies](http://www.cowi.com/policies)

# 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.

The Ten Principles of the United Nations Global Compact derive from: the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

COWI signed the Global Compact in 2006.

## CLOSING OF LANDFILL SITE AT GRØNNMO, NORWAY >

From 1969 to 2007, some 5 million tonnes of waste were dumped at Grønmo landfill site over an area of 600 hectares. The site was closed in 2007. Now the area is earmarked for outdoor areas, planting, sports activities and recreation. Closing down the Grønmo landfill site included new surface water systems and the establishment of drainage ditches and dams to give the area a 'blue and green' structure. Key actions included reducing the amount of polluted water and upgrading the extraction of landfill gas to reduce greenhouse gas emissions from the site. All polluted water is collected and treated in a local plant before released into the municipal system. COWI has assisted throughout the entire process.





# 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 competences and close relationships.

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.

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 6,700 employees are leaders within theirs.

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

COWI consists as of 1 January 2019 of five business lines, three that are country-based: Denmark, Norway and Sweden, one international business line Bridges, Tunnels and Marine Structures and one architectural business line Arkitema Architects.

## < SOLAR CELLS ON COWI'S HEADQUARTERS

The building on the photo shows the covered walkway between two of the main buildings at COWI's headquarters in Lyngby, Denmark. The roof of the walkway has vegetation as insulation.

On 1 April 2019, 764 solar panels covering an area of 1275 m<sup>2</sup> will be installed on the roof of the headquarters. Once the solar panel system is in operation, it will contribute with 170,000 kWh corresponding to a reduction of 100,900 kg CO<sub>2</sub> per year. The panels will cover about 7 per cent of the COWI headquarters' power consumption.

## < MARTHA'S VINEYARD, US

The Vineyard off the coast of Massachusetts will be the first large-scale offshore wind energy project in the US. The project will generate 2 gigawatt clean, renewable, cost-competitive energy for over 400,000 homes and businesses, while reducing carbon emissions by over 1.6 million tonnes per year. The site is located 23 km from the nearest shore and covers an area of about 650 km<sup>2</sup>. Vineyard Wind has leased a 160,000-acre area south of Martha's Vineyard. The offshore wind project will consist of wind turbines, spaced at least eight-tenths of a mile apart each capable of generating over 8 MW of power. Power from the wind turbines is collected by an offshore substation. COWI is the owners' engineering consultant.

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