

Corporate Social Responsibility 2018



**DANISH
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February 2019



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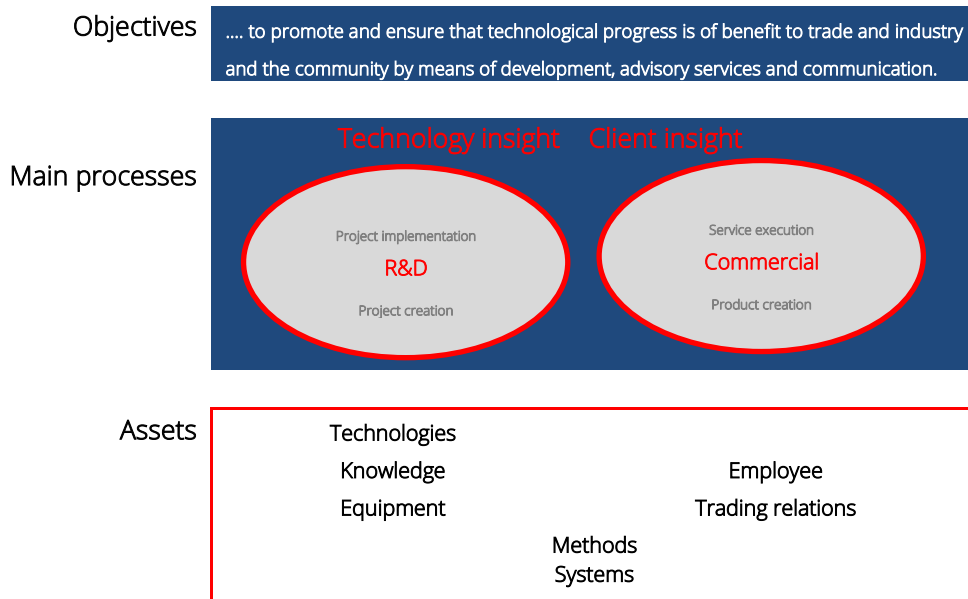
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1. Description of the DTI business model

The Danish Technological Institute (DTI) is a non-profit institution whose objectives are to promote and ensure that technological progress is of benefit to trade and industry and the community by means of development, advisory services and communication.

DTI fulfils its purpose by developing new knowledge through research and development activities that translate into technological services and are made available on market terms.



This purpose is fulfilled by DTI

- ensuring close collaboration with trade and industry, based on insight, transparency, impartiality and expertise
- having access to the latest, high-technology facilities, equipment and knowledge
- consolidating its position as an attractive development partner in close collaboration with leading knowledge institutions as well as small, medium-sized and large enterprises
- being an international player that plays an active role as the Danish element of European re- search and development efforts.

On this basis, the Institute can continue to provide its clients with the physical infrastructure and technological skills and expertise required to face the challenges posed by international competition.



DTI is primarily active in the following fields: building and construction, manufacturing, life science, materials, business development, food and agricultural production, and energy and climate.

2. Impact of DTI's activities on the environment and climate

2.1. Relevant policies

DTI's aim is to contribute to the development of a sustainable society. DTI focuses on its internal activities as well as on the outside world in its support of sustainable research and development amongst the business community in Denmark and abroad.

This aim is explicitly stated in DTI's Code of Conduct, which provides that DTI will support preventive environmental measures, promote greater environmental responsibility and facilitate the development and dissemination of environmentally friendly technologies.

Under DTI's environmental policy, the Institute also aims to limit its environmental impact and consumption of energy and resources and to incorporate environmental considerations into its business processes. It is also our ambition to be a leader in the research and development of new environmental and energy technologies.

2.2. Implementation

With regard to its **internal activities**, the Institute regularly monitors and seeks to minimise the climate impact of its activities. Accordingly, DTI has implemented a number of procedures that are to be followed in the fields of water and energy consumption, waste separation and the disposal of hazardous chemicals. With this in mind, the Institute carries on an open dialogue with its stakeholders with a view to ensuring that the Institute is in a position to comply with and optimise its environmental policy.

With regard to its **external activities**, DTI continues to endeavour to develop and support sustainable research and development for trade and industry. As a result, DTI has amassed extensive know-how and created so many facilities that it is today considered a leader in a number of environmental fields, including renewable energy, natural coolants, energy and industrial measurements and energy efficiency enhancement.

2.3. Risk assessment

With regard to DTI's **internal activities**, the greatest risk of non-compliance with the environmental policy consists in our staff disregarding or forgetting the policy. This may be due to a lack of knowledge,



lack of attention or because things are happening too fast. DTI is endeavouring to minimise this risk through information and dialogue and by providing members of staff working with activities that involve a particularly high environmental risk, such as hazardous chemicals, with instructions and procedures.

With regard to less environmentally sensitive areas, it is, however, still up to the individual employee to be environmentally aware.

In order to increase our employees' focus on the UN's Sustainable Development Goals, including Sustainable Development Goals relating to the environment and the climate, we added the Sustainable Development Goals to our internal task management system in 2018. This means that our employees must always disclose which specific Sustainable Development Goal a particular new research project aims to support.

With regard to DTI's **external activities** in support of sustainable research and development, the main risk is failure to secure the necessary funding – from either public or private investors – that is required to implement the many environmental and climate research projects that DTI would like to launch. With a view to minimising this risk, DTI continues to focus attention on the many important research and development projects in the fields of environment and climate for which funding is required. Various channels and platforms are employed to reach private and public investors with this goal in mind.

In 2018, DTI began publishing selected projects on relevant communications platforms in order to highlight DTI's contribution to fulfilment of the UN's Sustainable Development Goals, including goals relating to the environment and climate.

2.4. Non-financial KPIs

DTI does not use KPIs relating to the environment and the climate in relation to its **internal activities**. However, when renovating and converting the Institute's buildings, environmentally and climate-friendly alternatives are always given high priority.

In connection with DTI's **external activities** relating to the development and support of sustainable research and development for trade and industry, the Institute lists the KPIs below.

	2016	2017	2018
Projects under performance contracts			
<i>Environmental and climate efforts</i>	46%	53%	56%
Research and development projects			
<i>Environmental and climate efforts</i>	52%	47%	48%



2.5. Evaluation of the results for the year

In 2018, DTI paid special attention to its contribution to the UN's Sustainable Development Goals, including those relating to the environment and climate. One way of maintaining that focus was by incorporating the Sustainable Development Goals into the Institute's internal task management system, meaning that no new projects can be created without DTI staff assessing the way in which the project affects the UN's Sustainable Development Goals. The UN's Sustainable Development Goals were also included in the employee satisfaction survey that was conducted in 2018.

This special focus will no doubt mean that DTI's contribution to the creation of a sustainable society will receive even more attention. This has indeed already happened to some extent with respect to the projects in which DTI participates. The number of projects under performance contracts relating to the environment and climate with DTI participation rose from 53% in 2017 to 56% in 2018. The number of research and development projects relating to the environment and climate also saw a slight increase, from 47% in 2017 to 48% in 2018. This result is satisfactory.

Since projects normally span a period of several years, the increased focus on the contribution of DTI to the UN Sustainable Development Goals is likely to have an even greater impact in the Institute's projects in the years ahead.



3. Social and employee conditions

3.1. Relevant policies

DTI aims to be an attractive workplace that offers its employees conditions that contribute to their professional and personal, as well as to their physical and mental, well-being. The Institute therefore attaches great importance to creating a stimulating, flexible, healthy and safe working environment for its employees. DTI's Code of Conduct covers several subjects that specifically focus on employee issues and social conditions generally.

First and foremost, the Code of Conduct specifically states that DTI attaches great importance to creating a healthy and safe working environment and to ensuring that working hours and pay are in conformity with local legislation. These principles are reflected in an actual DTI working environment and safety policy.

According to the Code of Conduct, DTI will also not tolerate discrimination in the workplace, and in its recruitment and selection procedures the Institute always hires the best suited candidates, irrespective of gender, age, race, marital status, language, religion, sexual orientation or political beliefs. These principles are, for instance, incorporated into DTI's staff policy.

3.2. Implementation internally

DTI continually endeavours to ensure good conditions for its employees. Accordingly, the Institute maintains an ongoing focus not only on working environment, development, health and well-being, but also on social aspects, such as the composition of the Institute's workforce.

DTI is committed to improving **the working environment** through information, dialogue, workplace assessments, risk management, working environment coordination measures, documentation of working environment processes, safety procedures for laboratory and other dangerous types of work, emergency preparedness and reporting of accidents and related absences. The objective of this is to ensure that DTI is in a position to continually improve the working environment in consultation with the Institute's working environment organisation.

All employees who are to work at laboratories or in other potentially dangerous areas will receive one-on-one training, including a review of the safety procedures together with the head of the laboratory, before being given access to a laboratory for the first time. This is a safety measure to prevent serious industrial accidents insofar as possible.

In order to ensure that DTI is a **healthy workplace** generally and has low absence rates, the Institute offers a wide variety of provisions related to health, stress prevention and a good work-life balance. These include access to DTI's own fitness facilities, team training, a fruit scheme, a canteen serving a



healthy and varied menu, as well as discussions and programmes relating to stress and sickness. Furthermore, all DTI employees are covered by a health insurance scheme, providing employees with quick and easy access to private hospitals, specialist doctors and other medical specialists who can provide help if employees are taken ill, have an accident or suffer from infirmities. The health insurance scheme was extended to include a special health package in 2018, giving DTI employees access to a stress hot-line, a second opinion and assistance in navigating the public health system.

The well-being of our employees is measured in an employee satisfaction survey every other year. The findings from the employee satisfaction survey result in a wide range of initiatives at both centre and division level intended to promote a high degree of employee satisfaction, well-being and motivation among DTI employees.

Furthermore, DTI is committed to the systematic **development of the skills of its employees** in order to ensure job satisfaction. With this in mind, all employee and management groups are offered a specially designed training programme package giving each individual staff member an opportunity to further his or her own progress in relevant professional and personal skills.

DTI ensures equality in the treatment of all employees with no regard to gender, age, race, marital status, language, religion, sexual orientation or political beliefs. We achieve this in the way we select candidates during recruitment processes and in our appointment of directors and vice presidents. DTI thus endeavours to promote **equality and diversity** in the labour market through the composition of its workforce.

3.3. Risk assessment

Accidents and sickness are employee-related risks that can be very costly for the individual employee and DTI as the employer.

The risk of serious accidents is particularly high at DTI's laboratories where hazardous chemicals are handled. DTI has endeavoured to minimise this risk to the greatest extent possible by having employees working in laboratories undergo an extensive safety procedure manual that is handed to the employee and reviewed by him or her together with the head of the laboratory prior to giving the employee access to the laboratory.

It is a well-known fact that the risk of accidents, sickness and stress is associated with lack of job satisfaction. To minimise this risk DTI has launched a number of initiatives, as mentioned under 3.2 above, to ensure job satisfaction, a healthy lifestyle and a good work-balance for its employees.

The immediate risk associated with an imbalance in the composition of the workforce is not great. Nevertheless, DTI takes the view that diversity in the workforce promotes dynamism and cohesion and contributes to people flourishing and enjoying their work at the Institute.



3.4. I Non-financial KPIs

Non-financial KPIs	2017	2018
Working environment		
<i>Number of industrial accidents</i>	25	6
<i>Sickness absences</i>	1.98	1.69
Workforce composition		
<i>Female to male ratio at DTI generally</i>	37:63%	38:62%
<i>Female to male ratio at DTI's management level</i>	28:72%	29:71%
<i>Female to male ratio among DTI's trustees</i>	14:86%	22:78%
Non-financial KPIs	2016	2018
Working environment		
<i>Employees who strongly agreed that they have a good manager</i>	91%	92%
<i>Employees who strongly agreed that they are proud to work at DTI</i>	94%	95%

3.5. Evaluation of the results for the year

In 2018, DTI made a special effort to improve its working environment. Fortunately, this resulted in a dramatic reduction in the number of industrial accidents reported, from 25 accidents in 2017 to only 6 accidents in 2018, none of which were serious. Sickness absences at DTI were also reduced further in 2018, amounting to 1.69% in 2018, down from 1.98% in 2017. The improvement in the working environment achieved in 2018 is therefore considered very satisfactory.

DTI also notes a slight improvement on the most recent survey from 2016 in the way its employees perceive the Institute as a workplace. The percentage of employees who somewhat agree or strongly agree that they are proud to work at DTI thus rose from 94% in 2016 to 95% in 2018. Similarly, the percentage of employees who somewhat agree or strongly agree that they have a good manager rose from 91 % in 2016 to 92 % in 2018. Against this backdrop, the result achieved with regard to employee satisfaction in 2018 is also considered satisfactory.

With regard to the composition of DTI' workforce, a slight improvement of one percentage point was achieved as regards the female to male ratio at the Institute generally as well as at the executive level. The female to male ratio at DTI was thus 37:63% in 2017, whereas it was 38:63% in 2018. Similarly, the female to male ratio at the executive level was 28:72% in 2017 and 29:71% in 2018. In view of DTI's ambition of achieving diversity and a female to male ratio at the executive level that reflects the gender balance amongst employees generally, there is still room for improvement.



4. Respect for human rights

4.1. Relevant policies

In its activities – internal as well as external – DTI is governed by its Code of Conduct that contains provisions on how the Institute aims to run its business in a responsible manner, with respect for human dignity and in compliance with the visions and values of DTI.

The Code of Conduct specifically states that DTI promotes and respects international human rights and is not guilty of breaches of these rights. The Code further states that DTI will not tolerate the use of forced labour and child labour. According to the Code, DTI will also not tolerate physical or mental punishment of employees, and the Institute acknowledges their employees' right to unionisation.

4.2. Implementation

All purchases of DTI must be made in compliance with the guidelines set out in its Code of Conduct. Accordingly, DTI assesses all suppliers based on whether or not they observe human rights and use forced labour or child labour. Suppliers who fail to comply with DTI's Code of Conduct will be barred from submitting tenders for DTI's services. DTI also expects suppliers – and their sub-contractors – to comply with its Code of Conduct throughout the contractual term.

DTI is committed to ensuring a functioning monitoring environment generally throughout the Institute. All purchases thus require the approval of the procuring employee's superior or head of department, and for large purchases several quotations must be obtained.

4.3. Risk assessment

DTI makes large purchases each year from a number of industries, and sometimes from countries in which a lack of respect for human rights is far more widespread than in Denmark. As a result, there is always a potential risk that DTI suppliers fail to observe human rights. The Institute endeavours to minimise this risk through checks, termination clauses in contracts etc.

In other areas, too, there is a potential risk of non-observance of human rights. However, DTI has taken steps to minimise this risk through training and checks, etc. This risk is therefore considered to be very modest.

4.4. Non-financial KPIs

DTI did not bar any suppliers from tendering for services in 2018, nor did it terminate any contracts in 2018 due to suppliers' breaches of human rights, use of forced labour or child labour or attempts at any such use.



Neither DTI nor its auditors have discovered any breaches of human rights or use of forced labour or child labour in any areas outside the supplier area.

4.5. Evaluation of the results for the year

DTI did not terminate any contracts nor did it bar suppliers in 2018 due to breaches of human rights, the use of forced labour or child labour, and in our view the potential for breaches of human rights, use of forced labour or child labour among DTI's suppliers remains at an acceptably low level.

The same applies to potential breaching of human rights in areas outside the supplier area.



5. Anti-corruption and bribery

5.1. Relevant policies

DTI's Code of Conduct expressly states that the Institute will not tolerate "corruption, including blackmail and bribery".

Furthermore, as an approved technological service (GTS), DTI is required to be impartial in its dealings with clients and trading partners.

5.2. Implementation

All purchases of DTI must be made in compliance with the guidelines set out in its Code of Conduct. Accordingly, DTI assesses all suppliers based on whether or not they are guilty of corruption. Suppliers or suppliers' management who fail to comply with DTI's Code of Conduct will be barred from submitting tenders for DTI's services. Furthermore, DTI expects suppliers – and their sub-contractors – to comply with its Code of Conduct throughout the contractual term.

DTI is committed to ensuring a functioning monitoring environment generally throughout the Institute. All purchases thus require the approval of the procuring employee's manager or head of department, and several quotations must be obtained for major purchases.

To prevent corruption and ensure the impartiality of DTI in all respects, the Institute has also implemented "impartiality" as an essential foundation of the activities of DTI and instructs its employees at all levels in this regard. Such instruction may take place during conversations about goals and motivation, in the course of the recruitment process, on-boarding programmes, introduction programmes, courses and other internal arrangements.

5.3. Risk assessment

DTI makes purchases worth substantial sums each year from a number of industries, and sometimes from countries in which corruption is much more widespread than in Denmark. As a result, there will always be a potential risk that suppliers will attempt to put themselves in a better position through bribery, kickbacks or other forms of corruption. The Institute endeavours to minimise this risk through checks, termination clauses in contracts etc.

In other areas, too, there will always be a potential risk of corruption. However, DTI has taken steps to minimise this risk through training and checks, etc. This risk is therefore considered to be very modest.



5.4. Non-financial KPIs

DTI did not bar any suppliers from tendering for services in 2018, nor did it terminate any contracts in 2018 due to suppliers' use or attempted use of corruption.

Neither DTI nor its auditors have discovered any instances of corruption or bribery in 2018 outside the supplier area.

5.5. Evaluation of the results for the year

DTI has been focusing on bribery and corruption amongst its suppliers in 2018 since instances of corruption and bribery amongst major suppliers in other enterprises have been made public. However, the increased focus did not give rise to the termination or barring of any suppliers, and the general view is that the corruption and bribery potential amongst DTI's suppliers remains at an acceptably low level.

The same applies to the corruption and bribery potential outside the supplier area.



6. Section 99(b)¹ Report on gender balance at management levels

6.1. Relevant policies

As stated in its Code of Conduct, the Institute will not tolerate discrimination in the workplace, and when recruiting it will always hire the candidates best suited for the position, irrespective of gender and other factors. These principles are, for instance, incorporated into DTI's staff policy.

In addition, DTI has adopted a gender policy that describes how the Institute treats all employees as equals and in a gender-neutral manner in all aspects of the recruitment process. Furthermore, it is DTI's ambition to reflect the general gender balance across all levels of employees.

Since the trustees are politically selected and elected by the employees, DTI's board of trustees is not subject to the target figure requirements, see "Guidelines on target figures, policies and reporting on the gender balance of management", published by the Danish Business Authority (March 2016).

6.2. Implementation

DTI is especially committed to ensuring the equal treatment of applicants for executive positions and in connection with the other aspects of executive recruitment at the Institute.

6.3. Objectives

It is DTI's ambition for the management of the Institute to reflect the gender balance across all levels of employees. In accordance with its gender policy, DTI aims to achieve this goal by 2020.

In 2018, the ratio of female to male amongst all DTI's employees was 38% to 62% respectively, whereas it was 29% to 71% at the executive level at the end of 2018.

These figures thus fall short of the target, but compared with the female to male ratio the year before, i.e. in 2017, there was a slight improvement of one percentage point.

¹ Danish Financial Statements Act



Results

The ambition that the management of DTI – at all levels – must reflect the gender balance amongst employees generally was not fulfilled in 2018. The management of DTI will therefore continue to focus on achieving a more equal gender balance at the executive level with a view to fulfilling this ambition in 2020 at the latest.

For several years now, DTI has been committed to achieving a more equal gender balance in the Institute's talent programme. In 2018, this target was exceeded, with a ratio of females to males of 43:57% in the talent programme in 2018. The proportion of women in the talent team thus exceeded the average proportion of women at DTI generally.



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