

# Corporate Social Responsibility 2019



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# Corporate Social Responsibility 2019



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February 2020



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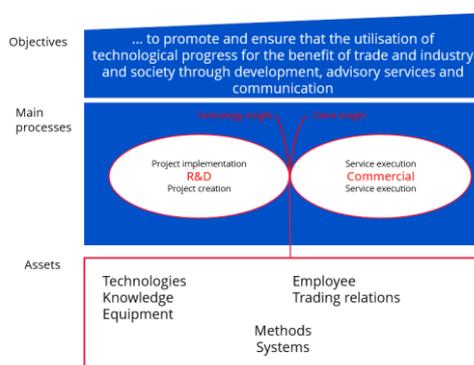


## 1. DTI's business model and strategic CSR goals

### 1.1. DTI's business model

The Danish Technological Institute (DTI) is a non-profit institution whose purpose is to promote and ensure the utilisation of technological progress for the benefit of trade and industry and society through development, advisory services, infrastructure and communication.

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



The purpose is realised 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 participates actively as the Danish element of European research and development efforts.

This enables the Institute to continuously provide its clients with the physical and technological skills infrastructure and expertise required to face the challenges posed by global competition.

DTI is primarily active in the following fields: building and construction; production and innovation; life science; materials; food and agricultural production and energy and climate.



## 1.2. Strategic CSR goals

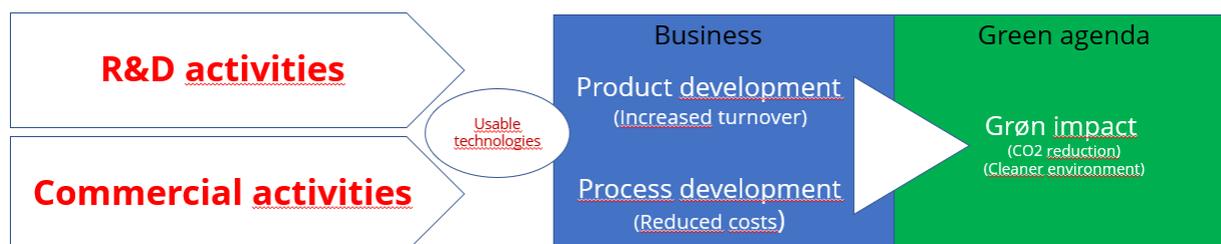
Since its beginning more than 100 years ago, DTI has delivered research and technology services to most large and small Danish enterprises. Due to its broad interface to enterprises, it has always been natural for DTI to assume social responsibility - both internally as part of the Institute's operations and externally as part of the research and technology services that the Institute delivers to clients and trading partners.

Internally, DTI wants to fulfil its social responsibility by focusing on sustainable business operations and by integrating social, environmental and ethical considerations in relevant business processes.

In relation to external players, DTI wants to fulfil its social responsibility by offering research and technology services based on the most recent knowledge about sustainability in a broad sense. Accordingly, DTI wants to be the preferred player in helping Danish and foreign enterprises in their efforts to make their products and services more sustainable.

In the external relation to DTI's clients and trading partners, it is decisive that the Institute has leading experts in sustainable research and development and provides the most recent and ground-breaking research and technology services within a range of fields.

As part of the external relation to DTI's clients, the Institute attaches particular importance to developing and applying technologies to its clients that positively impacts on their business in the form of increased revenue or lower costs and positively impacts the clients 'green agenda' in the form of e.g. reduced CO2 emissions or a cleaner environment.



Contributing to fulfilling and promoting the UN's Sustainable Development Goals is an integral part of DTI's strategic CSR goals.

DTI therefore applies the UN's Sustainable Development Goals as a benchmark for its own strategic CSR goals.

To reach the CSR goals, the Institute continuously works on applying the UN's Sustainable Development Goals and the strategic sub-goals.

In 2019, DTI integrated Sustainable Development Goals in all its new and current research projects since 2016 - a total of 1,800 projects. This makes it clear to which of the UN's Sustainable Development Goals each project contributes.



Moreover, in 2019, the task management system made it mandatory to specify to which Sustainable Development Goals all new projects contribute. This is done to better illustrate the Institute's contribution to fulfilling the Sustainable Development Goals - both internally to the employees and externally to clients and trading partners.

A statement for 2019 of the revenue of DTI's research and development projects broken down according to the UN's Sustainable Development Goals shows some clear preferences:

### Research and development projects - revenue 2019



The statement shows that, in 2019, DTI's research and development projects mainly contributed to the following of the UN's Sustainable Development Goals:

1. Responsible Consumption and Production (goal 12)
2. Industry, Innovation and Infrastructure (goal 9)
3. Decent Work and Economic Growth (goal 8)
4. Affordable and Clean Energy (goal 7)
5. Zero Hunger (goal 2)

A similar statement for 2019 of the revenue of DTI's performance contract projects broken down according to the UN's Sustainable Development Goals shows some clear preferences:



Performance contract projects - revenue 2019



The statement shows that DTI contributes to the same Sustainable Development Goals in performance contract projects - however, the contribution to goal 2 - Zero Hunger is a bit smaller. Instead, goals 13 and 11, which concern Climate action and Sustainable cities and communities, have been given more focus.

In 2019, research and development projects and performance contract projects totalled 34% of DTI's revenue.



## 2. Environment, including climate impact of the Institute's activities

### 2.1. Relevant policies

DTI wants to contribute to the development of a sustainable society. DTI's focus applies in part to its internal activities and in part externally in terms of supporting sustainable research and development in trade and industry in Denmark and abroad.

DTI's Code of Conduct expressly states that DTI supports preventive environmental measures, promotes greater environmental responsibility and facilitates the development and dissemination of environmentally friendly technologies.

Similarly, under DTI's environmental policy, the Institute aims to limit its environmental impact and consumption of energy and resources and to incorporate environmental considerations into its business processes. The policy also states that the Institute has an ambition to be a frontrunner in research and development of new technology in the environment and energy area.

### 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 in the fields of water and energy consumption, waste separation and disposal of hazardous chemicals. With this in mind, the Institute engages in an open dialogue with its suppliers with a view to ensuring that the Institute is in a position to comply with and optimise its environmental policy.

Similarly, DTI encourages its employees to use video conferences and Skype meetings to the widest possible extent instead of physical meetings to reduce the number of travels in Denmark and abroad and thus reduce CO2 emissions.

With regard to its external activities, DTI continuously endeavours 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 frontrunner in a number of environmental fields, including renewable energy; natural coolants; energy and industrial measurements; CO2-reduced concrete; water technology solutions that ensure climate-neutral and efficient treatment of drinking and waste water; clean-air solutions; plastic reduction and recycling of packaging; metal 3D printing to limit waste in production processes; anti-fouling coatings that improve environmental conditions; robot technology that increases efficiency and quality and limits resource consumption, etc.



To constantly be at the forefront of the enterprises' future demands, an analysis of the UN's 17 Sustainable Development Goals was carried out in Danish enterprises in 2019. The analysis shows that 46% of enterprises have not even heard about the 17 Sustainable Development Goals. The most obvious explanation is that the enterprises' everyday activities have little to do with the agenda set out by the Sustainable Development Goals, which have been formulated as general goals that might be difficult to translate into the enterprises' everyday business. Many Danish enterprises consciously work with both environmental and social goals without any linking to the Sustainable Development Goals. The analysis shows that DTI has a clear role in developing new knowledge that supports Danish enterprises in linking sustainability, technology, development and growth.

### 2.3. Risk assessment

With regard to DTI's internal activities, the greatest risk is that the environmental policy is not followed and that employees forget or ignore the policy. This may be due to a lack of knowledge, lack of attention or because things are rushed. DTI endeavours to minimise this risk via continuous information, dialogue, instructions and procedures for employees working in particularly environmentally sensitive areas, including those working with hazardous chemicals.

For areas other than those that are particularly environmentally sensitive, it is still very much up to the individual employee to be environmentally conscious.

In order to increase the employees' focus on the UN's Sustainable Development Goals, including those relating to the environment and the climate, DTI has since 2018 included the UN's Sustainable Development Goals as part of the employee satisfaction survey that all employees participate in every other year.

The employees' awareness of the UN's Sustainable Development Goals has also increased since they have been added to the DTI's internal task management system. This means that the employees must always state which specific Sustainable Development Goals a particular project aims to support when they create new research projects and commercial tasks.

With regard to DTI's external activities to support sustainable research and development in trade and industry, the risk primarily relates to the Institute providing specific advisory services that entails that the enterprises receiving such services unexpectedly have a negative impact on the green agenda. Endeavours are made to limit this risk through internal procedures and checks that ensure that all results given to clients and trading partners are always correct and in accordance with the most recent knowledge and research in the area.

Lack of funding - whether from public or private players - to carry out important and relevant environment and climate research projects can also be considered a risk. To limit this risk, DTI is continuously seeking to increase focus on environment and climate research projects for which the Institute needs funding. This is done through various channels and platforms aimed at both private and public players.



## 2.4. Non-financial KPIs

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

The following KPIs are prepared with regard to DTI's external activities to develop and support sustainable research and development for trade and industry.

	2016	2017	2018	2019
<b>Performance contract projects</b>				
<i>Environmental and climate effort</i>	46 %	53 %	56 %	44%
<b>Research and development projects</b>				
<i>Environmental and climate effort</i>	52 %	47 %	48 %	50 %

**Note: Environment and climate activities are defined as contributions to the following 6 Sustainable Development Goals:** Clean Water and Sanitation, Affordable and Clean Energy, Responsible Consumption and Production, Climate Action, Life Below Water and Life on Land, and have been stated as DTI's share of own production impacting the environment and climate.

## 2.5. Evaluation of the results for the year

With regard to internal activities, a special CSR committee was established in 2019 to focus on sustainability and corporate social responsibility in relation to DTI's internal activities. The purpose of the committee has been to prioritise the internal activities that are relevant to increase the sustainability of the daily activities at the Institute.

The employee's driving behaviour was one focal point in 2019 - not only commuting to and from work, but particularly in relation to work-related driving between the Institute's various locations across Denmark. In 2019, DTI therefore joined the Federation of Danish Motorists in testing a car-pooling app that serves to reduce car traffic through car-pooling. The car-pooling app is expected to be implemented at the beginning of 2020.

Food waste was also put on the agenda in 2019. In connection with the tendering of DTI's canteen operations in Taastrup and Aarhus in 2019, focus was aimed at reducing food waste. DTI therefore expects to reduce its food waste.

With regard to external activities, 2019 saw increased and better structured focus on how DTI contributes to the UN's Sustainable Development Goals, including the goals regarding environment and climate.

This has involved working on a large self-financed project that e.g. helped identify how Danish enterprises adopt the UN's Sustainable Development Goals and promoting DTI's sustainable profile in relation to Danish enterprises.



As previously mentioned, the Sustainable Development goals have also been added to the Institute's internal task management system so that new research projects cannot be created without considering how each project affects the UN's Sustainable Development Goals.

These special initiatives have increased the focus on DTI's contribution to developing a sustainable society. Some headway has been made in relation to the environment and climate projects DTI participates in. The percentage of research and development projects in environment and climate that DTI participated in thus increased to 50% in 2019 against 48% in 2018. However, the number of performance contract projects in environment and climate dropped from 56% in 2018 to 44% in 2019. This drop can partly be explained by significantly reduced revenue on performance contract agreements from 2018 to 2019, partly because the goal 'Life Below Water' dropped from 6% to 1%. At the same time, goal 9 'Industry, Innovation and Infrastructure' has increased by the same number of percentage points, however, this goal does not feature in the statement of environmental and climate activities. The overall result is therefore considered satisfactory.



### 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, personal, physical and mental well-being. DTI therefore attaches great importance to creating a stimulating, flexible, healthy and safe working environment for its employees. DTI's Code of Conduct addresses several subjects that specifically focus on employee and social conditions in general.

First and foremost, the Code of Conduct specifically states that DTI attaches importance to creating a healthy and safe working environment and to ensuring that working hours and pay conform with local legislation. These principles have been translated into an actual working environment and safety policy for DTI.

According to the Code of Conduct, DTI will not tolerate any 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.

#### 3.2. Implementation internally

DTI's policies regarding social and employee conditions are primarily implemented in its HR policy. DTI continually endeavours to ensure good conditions for its employees. The Institute does so by focusing on not only 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 absence. The objective is to ensure that DTI is in a position to continually improve its working environment efforts in cooperation with the Institute's working environment organisation.

All employees who need to work in laboratories or in other potentially dangerous areas will undergo one-on-one training and receive a presentation of the safety procedures by the head of the laboratory before being given access to a laboratory for the first time. This is done to prevent serious industrial accidents to the widest possible extent.

To ensure that DTI is generally a **healthy workplace** and has low absence rates due to sickness, the Institute provides a range of offers related to health, stress prevention and a good work-life balance. These include access to DTI's own fitness facilities, gym classes, a fruit scheme, a canteen serving a healthy and varied menu, as well as talks and programmes relating to stress and sickness.

In 2019, DTI carried out a special health project for employees called 'Sund i dag' (Healthy today). This project makes it possible for employees to participate for free in: 1. gym classes with professional instructors in e.g. running, weight training, flexibility, yoga and meditation; 2. after-work meetings about



physical and mental health with professional presenters and 3. health events dealing with topics like diet, sleep and physical and mental health.

Moreover, 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 will help if employees are taken ill, become injured or suffer from infirmities. The health insurance scheme has been extended to include a special health package, giving DTI employees access to a stress hot-line, a second opinion and assistance in navigating the public health system.

The well-being of employees is measured in an employee satisfaction survey every other year. The findings of the employee satisfaction survey are translated into a range of initiatives at both centre and division level intended to promote a high degree of 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. Accordingly, all employee and management groups are offered a specially designed training programme package giving each staff member an opportunity to develop 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. This is achieved by the way in which DTI selects candidates during recruitment processes and in its appointment of managers, directors and vice presidents. DTI thus endeavours to promote equality and diversity in the labour market through its employee composition.

### 3.3. Risk assessment

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

The risk of serious accidents is particularly high in DTI's laboratories where work involves handling hazardous chemicals. DTI has attempted to minimise this risk to the greatest extent possible by requiring that employees working in laboratories must work according to an extensive safety procedure manual that is given 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.

To prevent accidents at the Institute, special focus was on recording all near accidents in 2019. This has been done so that the Institute can learn from potential accidents and prevent them.

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-life balance for its employees.

The immediate risk associated with a skewed employee composition is not significant. DTI finds that diversity in the workforce promotes dynamism and cohesion and thus contributes to well-being and job satisfaction at the Institute.



### 3.4. Non-financial KPIs

Non-financial KPIs	2017	2018	2019
<b>Working environment</b>			
<i>Number of industrial accidents</i>	25	6	10
<i>Sickness absence in %</i>	2.0	1.7	1.8
<b>Employee composition</b>			
<i>Female to male ratio at DTI, general</i>	37% / 63%	38% / 62%	37% / 63%
<i>Female to male ratio at management level</i>	28% / 72%	29% / 71%	31% / 69%
<i>Female to male ratio among DTI's trustees</i>	14% / 86%	22% / 78%	22% / 78%

### 3.5. Evaluation of the results for the year

In 2019, DTI also focused on improving the working environment. However, regardless of this, the number of reported industrial injuries increased slightly from 6 injuries in 2018 to 10 injuries in 2019; however, none were serious. The level of industrial injuries is considered fully acceptable compared to the number of employees working at the Institute.

In 2019, sickness absence at DTI was also low at 1.8%. This is a slight increase compared to the year before when sickness absence was at 1.7%. However, the result is still considered very good. The overall result for working environment in 2019 is considered extremely satisfactory.

In terms of the employee composition at DTI, the female to male ratio is very stable. Accordingly, the female to male ratio at DTI was 37/63% in 2019, whereas it was 38/62% in 2018. The female to male ratio at management level showed a small improvement, since the ratio was 31/69% in 2019 compared to 29/71% in 2018. As indicated by the figures for 2019, DTI is now closer to achieving its ambition of diversity and a female to male ratio at executive level that reflects the general gender balance in the employee group, which is positive.



## 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 which contains provisions on how the Institute intends to run its business in a responsible manner while respecting human dignity and in accordance with DTI's visions and values.

The Code of Conduct specifically states that DTI promotes and respects international human rights and does not violate any human 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 its employees' right to unionise.

### 4.2. Implementation

All DTI's purchases must be made in accordance with the guidelines set out in its Code of Conduct. Accordingly, DTI assesses all suppliers based on whether they observe human rights, use forced labour or child labour and prevents suppliers from submitting tenders for DTI's services if they or their management fails to comply with DTI's Code of Conduct. DTI also expects suppliers – and their sub-contractors – to comply with its Code of Conduct throughout the contractual term.

Overall, DTI is committed to ensuring a functioning monitoring environment throughout the Institute. All purchases therefore 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

Each year, DTI makes large purchases 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 violate 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 human rights being violated. However, DTI has taken steps to minimise this risk through training and checks, etc. The risk is therefore considered to be very limited.

### 4.4. Non-financial KPIs

DTI did not bar any suppliers from tendering for services in 2019, nor did it terminate any contracts in 2019 because the suppliers violated human rights, used forced labour or child labour or made attempts at any such use.

Neither DTI nor its auditors have identified any violation 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 or bar suppliers in 2019 due to violation of human rights, use of forced labour or child labour, and the general assessment is that the potential for violation of human rights, use of forced labour or child labour among DTI's suppliers remains at an acceptably low level.

It is also assessed that the potential for violation of human rights outside the supplier area is at an acceptably low level.



## 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) institute, DTI is required to be impartial in its dealings with clients and trading partners.

### 5.2. Implementation

All DTI's purchases must be made in accordance with the guidelines set out in its Code of Conduct. Accordingly, DTI assesses all suppliers based on corruption and prevents suppliers from submitting tenders for DTI's services if they or their management fail to comply with its Code of Conduct. DTI also expects suppliers – and their sub-contractors – to comply with its Code of Conduct throughout the contractual term.

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

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 instructed its employees at all levels in this regard. Such instruction may be given during motivation and performance interviews, in the course of the recruitment process, on-boarding programmes, introduction programmes, courses and other internal events.

### 5.3. Risk assessment

Each year, DTI makes large purchases from a number of industries, and sometimes from countries in which corruption is far 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, kickback or other forms of corruption. The Institute endeavours to minimise this risk through checks, termination clauses in contracts, etc.

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

### 5.4. Non-financial KPIs

DTI did not bar any suppliers from tendering for services in 2019, nor did it terminate any contracts in 2019 because the suppliers engaged in corruption or made attempts at engaging in any corruption practice.



DTI did not identify any attempts at corruption or bribery in 2019 in any areas outside the supplier area.

## 5.5. Evaluation of the results for the year

DTI focused on bribery and corruption among its suppliers in 2019, since cases involving corruption and bribery in other enterprises were made public. However, the increased focus did not give rise to terminate or bar any suppliers, and the general view is that the potential for corruption and bribery among DTI's suppliers remains at an acceptably low level.

It is also assessed that the potential for corruption and bribery outside the supplier area is at an acceptably low level.



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

### 6.1. Relevant policies

As stated in its Code of Conduct, the DTI will not tolerate discrimination in the workplace, and when recruiting, the Institute will always hire the candidates best suited for the position, irrespective of gender and other factors. These principles are incorporated into DTI's HR 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 that the Institute's management - at all levels - should reflect the general gender balance of the employee group.

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

### 6.3. Objectives

It is DTI's ambition that the Institute's management - at all levels - should reflect the gender balance of the employee group. In accordance with its gender policy, DTI aims to achieve this goal by 2020.

In 2019, the female to male ratio at DTI was 37% to 63%, while the ratio at executive level at the Institute was 31% to 69% at the end of 2019.

These figures thus fall short of the target, but compared to the year before, there was a slight improvement, and the target seems realisable.

### 6.4. Results

The ambition that DTI's management - at all levels - should reflect the general gender balance of the employee group was not realised in 2019. DTI's management will therefore continue to increase focus on achieving a more equal gender balance at the executive level.

For several years, DTI has been committed to measuring the gender balance in the Institute's talent programme. In 2019, the female to male ratio in the Institute's talent programme was 45% to 55%. The number of women in the talent team thus exceeded the average number of women at DTI in general. The Institute thus has a reasonable expectation of being able to realise its gender policy objectives within a foreseeable future.



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