Corporate Social Responsibility Report 2022

This report is part of the management's review in Danish Technological Institute's annual report and is the statutory reporting under Sections 99(a) and 99(b) of the Danish Financial Statements Act.

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Corporate Social Responsibility Report 2022

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1. Danish Technological Institute

Danish Technological Institute is a Danish interdisciplinary research and development institute which covers a wide spectrum, both professionally and geographically. The Institute is self-governing and non-profit and its purpose is to promote the utilisation of technological advances for the benefit of the business community.

The Institute's core values are impartiality, professional integrity and expertise. Therefore, these values are critical in everything the Institute does, and the Institute always strives to create value for customers and business partners while positively impacting society through sustainable advances and technologies.

Danish Technological Institute is one of Denmark's seven Approved Technological Service Institutes ('Godkendte Teknologiske Serviceinstitutter' or GTS institutes).

1.1. Corporate social responsibility

Danish Technological Institute wants to fulfil its social responsibility by focusing on sustainable business operations as a natural part of the workday for the Institute's employees. Danish Technological Institute's CSR Committee works with CSR on a strategic and systematic level. This is done, among other things, by implementing the Danish standard, DS 49001, Management system for social responsibility – Requirements description, including evaluation of the Institute's management system to ensure that it remains suitable, adequate and effective.

1.2. The most significant risks

The most significant risks associated with Danish Technological Institute's business activities in relation to environmental and social factors is that employees might disregard the Institute's policies. This may, for example, be due to lack of knowledge or inattention. Danish Technological Institute seeks to minimise this risk through ongoing information. In 2022, the information has become more easily accessible on the Danish Technological Institute's intranet page, where CSR and climate and environmental issues have been given a permanent place. In addition, in 2022, a series of articles have been published on the intranet with different focal points within the topics.

A very large part of the Danish Technological Institute's workplaces are ordinary office environments. The risk of workplace accidents - and in particular, serious workplace accidents - is therefore very limited in this regard. Among the office workplaces in 2022, there was one reportable accident involving a fall on a staircase.

The risk of occupational accidents is particularly present in the Institute's laboratories – especially those working with chemicals, mechanical testing or industrial processes. Danish Technological Institute minimises this risk by ensuring that all employees working in a laboratory work according to adapted safety procedures and receive the necessary instruction and supervision before being granted access to a laboratory. These safety procedures are continuously updated and monitored through regular health and safety audits. Once a year, the Working Environment Organisation visits all the Danish Technological Institute's working environment groups, which include all laboratories and office environments. In connection with this, chemical registration, APV, accident registration, etc. are reviewed and a physical tour of laboratories and offices is carried out at the same time.

For the purpose of preventing workplace accidents at the Institute, there has been particular focus on registering all "close calls" since 2019. This has been done so that the Institute can learn from potential accidents and prevent them from occurring. In 2022, 52 close calls were recorded, which include observations of processes, incidents or physical setups that did not result in an accident, but where the risk could be reduced or eliminated by organising the work or arranging the physical environment more appropriately.

The vast majority of purchases made by Danish Technological Institute are from Danish and Nordic suppliers (more than 85%) or from suppliers in Europe (13%). Only a small proportion (1%) of purchases are from suppliers outside of Europe and North America where the lack of respect for human rights is more prevalent. Overall, the risk of failing to respect human rights by Danish Technological Institute's suppliers is thus considered to be limited.

In terms of the (relatively few) purchases that Danish Technological Institute makes from suppliers in countries where a lack of respect for human rights is more widespread, there will always be a risk of non-compliance with human rights conventions. Danish Technological Institute has sought to minimise this risk by way of termination clauses in the contracts, among other things.

In other areas, too, there will always be a certain risk of human rights being violated. However, Danish Technological Institute has sought to minimise this risk by offering instruction and training.

Danish Technological Institute does not have a central procurement department. The vast majority of purchases are therefore made in a decentralised manner in the various centres and divisions. This organisational construct may increase the risk of corruption in connection with purchasing from suppliers. On the other hand, it may also be an advantage, as the individual purchases will, all other things being equal, be smaller and thus there will be less to gain from corruption.

In terms of the (relatively few) purchases that Danish Technological Institute makes from suppliers in countries where corruption is more widespread, there will always be a certain risk of suppliers attempting to gain advantage via bribery, kickbacks and other forms of corruption. Danish Technological Institute has sought to minimise this risk by including termination clauses in contracts, etc.

There will also always be a small risk of corruption in areas not related to suppliers. However, Danish Technological Institute has sought to minimise this risk by offering instruction and training.

Overall, it is assessed that the risk of bribery, kickbacks and other forms of corruption are very limited.

2. The environment, including climate impacts

2.1. Relevant policies

Danish Technological Institute complies with current environmental regulations and wants to contribute to the development of a sustainable society. This focus applies both to the Danish Technological Institutes' internal activities and external activities in relation to supporting a sustainable innovation and development in the business community.

Danish Technological Institute supports preventive measures to address the climate challenges that we face and it also supports and takes the initiative to develop and disseminate sustainable technologies.

Danish Technological Institute wants to display social responsibility and contribute to the green transition via the choices it makes and the dialogues it has with customers, suppliers and partners.

The Danish Technological Institute is working with the institute's own environmental aspects under the ISO 14001 environmental management standard, which ensures continual environmental improvements via a systematic approach to monitoring and evaluation.

2.2. Actions

Danish Technological Institute is working on developing and supporting sustainable research and development for the business community on an ongoing basis. As a result, the Danish Technological Institute has built up many facilities and specialised knowledge and is today one of the leading knowledge institutions in a number of environmental areas.

The Danish Technological Institute continuously monitors the environmental and climate impact of its activities and follows a number of procedures in relation to minimising electricity, water and heat consumption, improving waste sorting and appropriate handling and disposal of chemicals and obsolete IT equipment. In 2022, this work was supported by the Institute's work on the implementation of ISO 14001 on environmental management.

Internally at the Danish Technological Institute, waste stations for bio-waste, residual waste and hard plastic were set up in spring 2022. The waste stations were placed in the office areas. For each station there are instructions on waste sorting and drawings showing where the nearest containers for soft plastics, cardboard, glass, iron, etc. can be found in the Institute's outdoor areas.

In spring 2022, the Institute launched a project to support the biodiversity of native plants and insects on the Institute's own land. The project in Aarhus was finalised in 2022, while the project in Taastrup was divided into phases spanning three years. At both sites, the projects have resulted in the creation of a quasi-fencing, flower meadow, composting area, stonework, herb spiral and much more. The projects have received very positive attention both externally and internally at the Institute.

In 2022, the Danish Technological Institute decided to bid on the establishment of solar power plants operated by Energi Danmark, with so-called Power Purchase Agreements. However, the surge in energy prices during the spring meant that the electricity market changed, and it is currently not possible to realise these plans. The Institute hopes that within a few years it will be possible to realise the plans, but is also exploring other measures to make the Institute more sustainable.

In December 2022, the Danish Technological Institute joined *the Science Based Target initiative (SBTi)*. STBi is leading ambitious climate action, with companies setting science-based emission reduction targets. The endorsement will demonstrate efforts to also internally support the Paris Agreement's goal of limiting global greenhouse gas emissions. The Danish Technological Institute must submit its emission reduction targets to SBTi for approval by December 2024, so the effort has already started. In continuation of this, the Danish Technological Institute has increased internal communication about CSR in general and about environmental and climate issues internally at the workplace in particular.

2.3. Results

In 2022, the Institute achieved ISO 14001, Environmental Management certification, with the scope: *Internal operation, service and maintenance of infrastructure* – i.e. everything regarding light, heat, water, waste, internal e-shop purchases, etc. with respect to environmental management – the certification applies to all Danish Technological Institute locations.

In the last months of 2022, the Danish Technological Institute has launched an energy saving campaign in line with the rest of society. This resulted in a 12% reduction in electricity consumption in the last 4 months of 2022, compared to the corresponding months of 2021. The energy saving campaign will continue in 2023.

A breakdown of energy consumption for the last three years can be seen in the following table, where it is compared with turnover.

Consumption of electricity, water and heat[1]	2022	2021	2020
Electricity [MWh]	10,439	10,817	10,412
Share of green energy:			
Water, wind, solar	-	32%	32%
Biomass	-	5%	5%
Atom	-	-	-
Total	35%	37%	37%
Water [m^3]	18,772	19,975	18,883
Heat [MWh]	7,952	8,968%	8,075%

Group turnover	2022	2021	2020
Turnover DDK million		1,078	1,093
Change		-1%	-4%

In relation to Danish Technological Institute's annual CO2 emissions related to transport and energy consumption, the figures can be viewed in the table below for the years 2020-2022 as calculated according to the GHG Protocol.

In relation to air travel, the stated figures are based on information from the Institute's external travel agency. In this context, it should be noted that not all of the Institute's air travel is requisitioned via the external travel agency. There are thus some unreported figures for air travel.

In relation to the figures for car transport, it has not been taken into account that some employees drive in hybrid or electric vehicles.

[1] Compared to the 2021 statement, the figures have been adjusted based on revised input data. Data is obtained from suppliers.

CO_2e emissions[2]	2022	2021	2020
Scope 1 and 3 [tonnes]:			
CO_2e emission The Institute's own vehicles	159	133	121
Scope 2 and 3 [tonnes]:			
CO_2e emission heat	851	961	865
CO_2e emissions (electricity declaration)	4,351	4,508	4,339
CO_2e emissions, vehicles (private cars used for work purposes)	434	366	328
CO_2e emissions, airplanes (data from travel supplier)	109	14	33
Total estimated CO_2e emissions for stated categories	5,904	5,982	5,686

The energy saving campaign launched at the Danish Technological Institute in autumn 2022 is not directly reflected in the CO_2 emissions. However, there has been a slight decrease in CO_2 emissions from heat consumption, and in relation to emissions from electricity consumption, an increase in consumption in the first months of the year was reversed by a 12% reduction in the last four months. Overall, this results in unchanged CO_2 emissions for energy consumption compared to 2021, which was characterised by the COVID-19 pandemic.

In terms of CO_2 emissions from travelling, there has been an increase compared to 2020 and 2021. This is not unexpected as there have been fewer travel restrictions due to the COVID-19 pandemic in 2022 than in 2021.

2.4. Expectations for the work ahead

In 2023, the Danish Technological Institute will continue to work on the initiated climate and environmental initiatives, including the achieved ISO 14001 environmental management certification. Among other things, the many laboratory facilities at the Danish Technological Institute, which account for a significant proportion of energy consumption, are to be subjected to a meticulous review so as to identify energy-saving potential.

The Danish Technological Institute also expects to work intensively on emission reduction targets and associated material to be submitted for approval to SBTi by December 2024.

[2] Emissions are determined according to the Green House Gas (GHG) Protocol

In 2021, the Institute left selected grassland areas with high vegetation cover, and in 2022, the Institute became more active in contributing to biodiversity enhancement through the extensive creation of more nature-oriented areas. The planned work will continue in 2023, and at the same time, the area with tall vegetation is to be increased so as to enlarge the total area for greater biodiversity. The area has remained unchanged at around 10 hectares since 2021.

During 2023, the Danish Technological Institute's work with CSR and climate and environmental initiatives will have more visibility on the Institute's website.

3. Social and employee conditions

3.1. Relevant policies

Danish Technological Institute's employees are critical for the Institute's business operations and are at the core of the Institute's activities. Therefore, the Danish Technological Institute makes every effort to be an attractive workplace where employees thrive, and there is major emphasis on creating a developing, flexible, healthy and safe working environment. Danish Technological Institute's Code of Conduct addresses several subjects that specifically focus on employee and social conditions in general.

Danish Technological Institute also prioritises having a safe and secure working environment and ensuring that working hours and salaries comply with local legislation. These principles have been translated into an actual working environment and safety policy for Danish Technological Institute.

The Danish Technological Institute will not tolerate discrimination at the workplace, and when recruiting, the Institute will always hire the best-qualified candidates regardless of gender, age, race, civil status, language, religion, sexual orientation or political beliefs.

3.2. Actions

Danish Technological Institute is working in a targeted manner with information, workplace assessments, risk management, working environment coordination, documentation of working environment processes, emergency preparedness and the reporting of accidents and associated absences. The objective is to ensure that Danish Technological Institute is in a position to continually improve its working environment efforts in cooperation with the Institute's working environment organisation.

All employees who will be working in laboratories or otherwise work with potentially dangerous equipment will also receive one-on-one instruction, including a review of safety procedures from the laboratory manager, before the employee is given access to each individual laboratory for the first time. This is done to minimise the risk of serious workplace accidents.

Danish Technological Institute works systematically with the development of employees' skills as a way of ensuring job satisfaction. Employee and management groups are offered a targeted training programme package, giving each staff member an opportunity to develop relevant professional and personal skills.

To ensure that Danish Technological Institute is generally a workplace with high levels of job satisfaction and 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 the Danish Technological Institute's own fitness facilities, gym classes, a fruit scheme, a canteen scheme with a healthy and varied menu, as well as programmes relating to stress and sickness.

In addition, the Danish Technological Institute offers all employees access to a free health insurance policy, which offers quick and easy access to private hospitals, specialist doctors and other medical specialists that can provide help if the employees get sick, become injured or suffer from other infirmities. In addition, the Institute has staff dedicated to sickness follow-up and well-being.

Every two years, the well-being of employees is measured in an employee satisfaction survey. The findings of the employee satisfaction survey are translated into in a range of initiatives at both centre and division level intended to promote a high degree of satisfaction, well-being and motivation among employees.

3.3. Results

The distribution of women and men in general at the Danish Technological Institute was 37% / 63% in 2022. This distribution of genders among employees is more or less the same as it has been at the Institute over the past few years. The gender ratio is considered to be satisfactory, as it reflects the ratio seen in the market for highly qualified specialists working within the Institute's primary professional and competence areas.

The distribution of women and men in the management tiers was 34% / 66% in 2022. This distribution is also essentially unchanged compared to previous years. With the gender distribution in 2022, the Institute is fulfilling its ambition of having the diversity and gender composition in Danish Technological Institute's general management tiers reflect the general gender composition of the Institute's employee group. However, Danish Technological Institute will continue working on promoting a focus on diversity and an equal gender distribution in management tiers.

Danish Technological Institute's special health and safety measures in connection with the COVID-19 pandemic have been continued in 2022. As always, Danish Technological Institute follows, as a minimum, the recommendations of the authorities and, where we deem it necessary, more extensive measures than the recommendations of the authorities. Throughout the pandemic, the working environment organisation has maintained its focus on the non-virus-related aspects of the working environment.

In 2022,15 reported workplace accidents were registered, which is a decrease of one relative to 2021. The majority of the reported accidents were not very serious and typically occurred as random incidents that cannot be traced to fundamental working processes in, for example, laboratories or workshops. The working environment organisation evaluates accidents annually and examines whether there are types of accidents that require special action. Among other things, this means that in 2023 there will be an increased focus on risk assessment before new types of laboratory tests are initiated.

The sickness absence rate at Danish Technological Institute in 2022 was 3 %. This figure represents an increase compared to 2021, when sickness absence was as low as 2.1%. The increase in 2020 and 2021 is partly due to the COVID-19 pandemic.

Danish Technological Institute's overall result for working environment issues in 2022 is considered extremely satisfactory.

Key figures, employee matters	2022	2021	2020
Full-time employees [FTE]	999.2	942.9	865
Gender diversity [%]			
Women	37	37	37
Men	63	63	63
Gender diversity for other management tiers [%]			
Women	34	35	38
Men	66	65	62
Employee turnover	13	14.2	13.5
Sickness absence [%]	3	2.1	2.3
Workplace accidents	15	16	6

FTE: FTE data is extracted from the HR system and calculated as of 31/12 for permanent staff.

Gender diversity: Data pertaining to gender is extracted from the HR system, where gender is entered in connection with recruitment. The percentage is calculated as the total number of women/employees and the total number of men/employees.

Gender diversity, other management tiers: Data relating to management layers (batch group: 01, 11, 15, 21) is extracted from the HR system, where each employee is registered with a batch group (career level). For this group, the gender entered at the time of recruitment is also used. The percentage is

calculated as the total number of female managers/management layers and the total number of male managers/management layers.

Employee turnover: Calculated as the number of resignations in relation to the beginning of the year less the number of resignations in the respective month. Number of resignations/employees at the beginning of January.

Sickness absence: Employees enter absences (sickness, accident at work) on their timesheets. Data is transferred to the payroll system. Absence is calculated based on calendar days in relation to working time.

Workplace accidents: If an employee is injured and takes sick leave, the injury must be reported as a workplace accident. The employee must contact the divisional health and safety representative and together they will fill in a form about the workplace accident. The workplace accident is then reported to the Danish Working Environment Authority and to the insurance company.

3.4. Expectations for the work ahead

Danish Technological Institute expects a positive development in terms of its work with social responsibility and employee matters.

In 2023, there will be an increased focus on risk assessment before new types of laboratory tests are initiated.

4. Respect for human rights

4.1. Relevant policies

Danish Technological Institute works based on the Institute's Code of Conduct which includes provisions about how the Institute wants to operate as a responsible company with respect for human dignity and in accordance with its visions and values.

It is explicitly stated in the Danish Technological Institute's Code of Conduct that it supports and respects the international conventions on human rights and has not violated such conventions. The Code of Conduct also states that Danish Technological Institute does not tolerate the use of forced labour and child labour. It is also stated that Danish Technological Institute does not tolerate the physical or psychological punishment of employees and that employees have the right to unionise.

4.2. Actions

All purchases made by Danish Technological Institute take into account the Institute's Code of Conduct. Accordingly, Danish Technological Institute assesses suppliers based on whether they observe human rights, use forced labour or child labour and prevents suppliers from submitting tenders for the Institute's services if they or their management fails to comply with the Institute's Code of Conduct. Danish Technological Institute also expects suppliers – and their sub-contractors – to comply with its Code of Conduct throughout the contractual term.

Overall, Danish Technological Institute is committed to ensuring a functioning monitoring environment. Therefore, all purchases require the approval of the procuring employee's superior or director, and, for large purchases, several quotes must be obtained.

4.3. Results

Danish Technological Institute did not exclude any suppliers from tendering for services in 2022, nor did it terminate contracts in 2022 because the suppliers violated human rights or the ban on forced labour or child labour – or made attempts at any such use.

It is also assessed that the opportunities for violating human rights outside of the area of suppliers is extremely limited, and Danish Technological Institute has also not found any violations of human rights or cases where forced labour or child labour was used.

4.4. Expectations for the work ahead

In general, Danish Technological Institute expects the focus on human rights to remain unchanged.

5. Fighting corruption and bribery

5.1. Relevant policies

In Danish Technological Institute's Code of Conduct, it is expressly stated that the Institute does not tolerate corruption, blackmail and bribery.

Furthermore, as an Approved Technological Service Institute (a Danish 'GTS institute'), Danish Technological Institute is required to be impartial in its dealings with clients and trading partners.

5.2. Actions

To prevent corruption and ensure the impartiality of Danish Technological Institute in all respects, the Institute has implemented impartiality as a basic foundation of the activities of the Institute 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. All purchases require the approval of a manager and/or director and larger purchases require that several quotes must be obtained.

5.3. Results

Danish Technological Institute did not exclude any suppliers from tendering for services in 2022, nor did it terminate any contracts in 2022 because the suppliers engaged in corruption or bribery - or attempted to do so.

Beyond the supplier area, Danish Technological Institute has also not found any cases of corruption or bribery in 2022.

Danish Technological Institute has been focused on bribery and corruption issues among suppliers since 2019, as cases about corruption and bribery among major suppliers in other companies have been published. However, the increased focus did not give rise to terminate or exclude suppliers, and the general view is that the potential for corruption and bribery among Danish Technological Institute's suppliers remains at a very low level.

5.4. Expectations for the work ahead

Danish Technological Institute expects that its focus on working with transparency issues, including the whisteblower scheme and anti-corruption policy, will remain unchanged.

6. Section 99(b) Report on gender composition in management tiers

6.1. Relevant policies

As stated in its Code of Conduct, Danish Technological Institute 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 also incorporated into Danish Technological Institute's HR policy.

In addition, Danish Technological Institute 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.

6.2. Actions and targets

It is the Institute's ambition that its management team - overall - should reflect the general gender composition of its employee group. This also applies to the Institute's Board of Directors The overall composition is 37% female and 63% male.

Danish Technological Institute focuses on ensuring equal treatment of employees throughout the recruitment process and during employment. This is enforced in the Institute's job postings by having two or three employees read through the applications and select candidates for interview. There is an established process for the identification of competences and selection. After recruitment, each candidate is followed up by both management and HR.

It is the ambition of Danish Technological Institute to ensure access to the best qualified candidates, taking into account that there is also a balanced staff composition. This is done through a number of employer branding activities targeting relevant potential employee groups.

To support equal treatment, Danish Technological Institute works with articulating good and diverse cooperation. This is also specifically done in connection with the recruitment of new managers, in training contexts and in all other aspects of the employment relationship at the Institute.

6.3. Results

In 2022, the general female to male ratio at Danish Technological Institute was 37% to 63%, while the ratio at the management level at the Institute (team leaders, managers and directors) was 34% to 66% at the end of 2022.

The Talent Programme was not held in 2022. The gender composition in 2021 was 42% female and 58% male. The proportion of women on the talent team thus exceeded the average proportion of women at Danish Technological Institute in general and in management tiers.

The Institute's Board of Directors is composed of seven externally elected members (e.g. employee representatives). The breakdown is 14% women and 86% men. By 2028, the target is to achieve a gender balance of 30% women and 70% men on the Board of Directors. There have been no board elections during the target period, so the distribution remains unchanged. By 2028, there will be elections to the Board of Directors, where it will be possible to reach this figure.

6.4. Expectations for the work ahead

Danish Technological Institute expects an ongoing positive development in its work with ensuring a well-balanced distribution in management tiers. Danish Technological Institute's management team will continue working on promoting a focus on diversity and an equal gender distribution in management tiers. Among other things, this will be done by focusing on the gender composition of Danish Technological Institute's annual talent programmes.

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