

**COP 2018
Global Compact Annual Communication On Progress
CPH City & Port Development (CPH City & Port Development)**

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About CPH City & Port Development

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COP 2018 Global Compact Annual Communication On Progress (English version)

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CPH City & Port Development

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Date: 16 May 2019

Membership commenced: October 2010

No. of employees: 115

Sector: Real Estate Investment & Services

Brief description of CPH City & Port Development

CPH City & Port Development develops new city districts in Copenhagen and operates Copenhagen harbour. Our ambition is to create healthy, sustainable and coherent high-quality city districts with room for communities, the good city life and a vibrant harbour interacting with the Copenhageners. CPH City & Port Development's activities finance public infrastructure which makes it easier and more sustainable to be a Copenhageners. CPH City & Port Development is one of the largest urban development companies in Denmark. The company was founded in October 2007 with the merger of Ørestadsselskabet and Copenhagen Harbour.

CPH City & Port Development is owned by the City of Copenhagen (95%) and the Danish State (5%).

For additional information about CPH City & Port Development: www.byoghavn.dk

1 Statement of Continued Support for the UN Global Compact

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With its membership of UN Global Compact, CPH City & Port Development wishes to continue its support for the principles with respect to human rights, labour rights, environment and anti-corruption. CPH City & Port Development still believes that the ten principles of UN Global Compact open up good possibilities of systemising the company's CSR work.

The main focus of the company's CSR work aims at UN Global Compact's principles of the environment as this area is where CPH City & Port Development may exert maximum influence in relation to the company's business activities. However, CPH City & Port Development is also conscious to ensure human rights, labour rights and anti-corruption in its day-to-day work.

CPH City & Port Development is a development and operating company delivering long-term and systemic urban development and takes responsibility for creating coherent and efficient city districts, such as Ørestad and Nordhavn. Energy and resource efficiency, environment and adaptation to climate change are integrated into the plans while supporting communities, health and good urban life.

CPH City & Port Development's ambition is to create socially, environmentally and financially sustainable city districts where the company sets the framework of urban life, housing, business and communities.

CPH City & Port Development is responsible for planning the city districts, establishing roads and canals, multi-storey car parks, public open spaces and green spaces. CPH City & Port Development sells sites to various investors and for social housing and takes an active part in urban life initiatives all the way from the first planning until the residents have moved in and the city districts come alive.

CPH City & Port Development has responsibility for Copenhagen Harbour. The harbour consists of a commercial harbour with container and cruise ship terminals run by CMP and a vibrant commercial and recreational harbour with bathing facilities, pleasure boats, tour boats and other recreational activities.

CPH City & Port Development is owned by the City of Copenhagen (95 per cent) and the Danish State (5 per cent) and is run on a commercial basis. This ownership gives CPH City & Port Development a long-term perspective which means that CPH City & Port Development is able to ensure that the city is not being developed from site to site but for the future – city district by city district.

As an urban development company, landowner and harbour authority, CPH City & Port Development has a special position in Copenhagen. The decisions made by the company reach many decades into the future –and concern both existing and future citizens, businesses and guests in Copenhagen. That's why CPH City & Port Development is conscious that its decisions must support and integrate sustainable solutions in its development areas.

Anne Skovbro

CEO

2 Activities and results

In the past year, CPH City & Port Development has worked with the goals below and also set up new goals for its CSR efforts.

2.1 Focus on human rights, labour rights and anti-corruption (principles 1-6, 10)

2.1.1 Human rights

CPH City & Port Development wants to support human rights where relevant and possible for the company. CPH City & Port Development has chosen to focus its human rights efforts on employee welfare.

To be an attractive workplace, CPH City & Port Development focuses on working environment and collaboration. The company aims to always have the employees with the qualifications required to handle the tasks of CPH City & Port Development. One of the goals of the company's personnel policy is job satisfaction for its employees, worklife commitment as well as excellent development opportunities. CPH City & Port Development's objectives in this area have been described in detail in the company's employee manual.

To ensure focus on professional and personal development, annual performance reviews will be held. Internal control measures will be developed and implemented in 2019 to ensure clear direction, objectives, goals and competence development for each employee.

2.1.1.1 Working environment

CPH City & Port Development considers its employees to be the key resource to achieving the company's goals. Consequently, CPH City & Port Development emphasises employee security, health promotion and low sickness absence. We are constantly striving to ensure excellent physical and mental working environments in collaboration with our Workplace Environment Committee and Liaison Committee.

In September 2018, a workplace assessment (APV) was prepared for the physical and mental working environments.

Based on this workplace assessment, the Workplace Environment Committee has prepared an action plan which lays out the most important items from the workplace assessment. The company works continuously with this action plan, follow up and reviews progress.

From 2019, the company will increase its focus on work accidents and near misses. This includes both internal work accidents relating to CPH City & Port Development's own employees and external work accidents in connection with building projects where CPH City & Port Development is the client. In 2019, the goal regarding work accidents is to develop and implement a more systematic process, including requirements for descriptions of as well as actions in the event of work accidents or near misses.

Goals for 2018	Status of actions
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Mapping of the company's physical and mental working environments (APV).	Achieved
New action plan for the company's physical and mental working environments.	Achieved

Goals for 2019	Status of actions
To ensure that the company's adopted efforts in accordance with the action plan for the physical and mental working environments are implemented and performed	To be implemented during 2019/2020.
Development and implementation of a mapping and action process in the event of work accidents and/or near misses	To be implemented in 2019

2.1.1.2 Sickness absence

Focus is on the company's sickness absence through a dialogue with the employees, the Liaison Committee and continuous visualisation of the company's sickness absence CPH City & Port Development wants to prevent stress-related illness, long-term absence from work etc. An annual statement regarding own illness and child's illness will be sent to all employees.

In 2018, the average absence was 2.7 per cent which is below the company's objective. Like previous years, the objective for 2018 was determined on the basis of the absence percentage of own illness of Danish Industry (DI) (2016) which means that the objective for 2018 was 3.1 per cent. In comparison, the average sickness absence was 3.9 per cent in 2017.

For 2019, the level will again be determined on the basis of DI's absence percentage of own illness which remains at 3.1 per cent. (2017).

2.1.2 Labour rights

CPH City & Port Development wants to support labour rights where relevant and possible for the company. CPH City & Port Development has chosen to focus its labour rights efforts in terms of requirements for the company's suppliers and upgrading of employee skills.

It is important for CPH City & Port Development to help ensure good conditions of employment for the employees at our suppliers and consequently, CPH City & Port Development integrates labour clauses when entering into major construction contracts.

CPH City & Port Development considers its employees to be the key resource to achieving the company's goals. Consequently, CPH City & Port Development emphasises the recruitment of qualified labour and the development and retention of employees. Moreover, the company emphasises contributing to a highly qualified labour market. The measures taken include temporary employments, such as apprentices, and requirements for the number of employed apprentices/trainees in all relevant calls for tenders regarding building and construction projects and services.

2.1.2.1 Labour clauses

CPH City & Port Development helps ensure fair pay, working hours and other terms of employment for labour by requiring terms of pay and work (labour clauses) in all relevant calls for tenders regarding building and construction projects and services with a threshold value exceeding DKK 1 million. The use of labour clauses is regulated in CPH City & Port Development's "Policy of labour clauses".

In order to ensure continuous compliance with the labour clauses, internal checks will be performed in addition to two annual external audits performed by an impartial body.

In 2018, the audits found one deviation in a contract. In this connection, a subcontractor underpaid an employee which is a material violation of the labour clause.

2.1.2.2 Social clauses

CPH City & Port Development helps upgrading employee skills by means of social clauses in agreements/contracts with contractors. CPH City & Port Development ensures that responsibility is taken for educating society's future labour by entering into social clauses in all relevant building, construction and services contracts. The use of social clauses has been regulated in CPH City & Port Development's "Social clause policy".

Compliance with social clauses will be ensured by means of internal checks, for example in connection with building and follow-up meetings.

CPH City & Port Development also ensures that the clauses will be implemented in associated companies to the extent allowed by the company structure. The clauses form part of the contractual basis between CPH City & Port Development and the associated company in question.

Goals for 2018	Status of actions
Social clauses in relevant calls for tenders and labour clauses for major calls for tenders.	Achieved
To implement audits regarding labour clauses for relevant and major calls for tenders.	Achieved

Goals for 2019	Status of actions
Social clauses in relevant calls for tenders and labour clauses for major calls for tenders.	To be implemented during 2019.
To implement external audits regarding labour clauses for relevant and major calls for tenders.	To be implemented during 2019.
To implement internal checks at building and follow-up meetings.	To be implemented during 2019.

2.1.2.3 Apprentices and trainees

CPH City & Port Development's objective is to continuously employ apprentices in temporary employments. Moreover, apprentices are employed to help upgrade the labour market.

Goals for 2018	Status of actions in 2018
One apprentice/trainee in course of training	Achieved – one draughtsman apprentice and one finance apprentice
Establishment of 2-3 temporary jobs (for example corporate trainee positions, wage subsidy etc.)	Achieved – two company trainees, two employees in flexijobs

Goals for 2019	Status of actions
Two-three apprentices/trainees in course of training	To be implemented during 2019.
Establishment of 2-3 temporary jobs (for example corporate trainee positions, wage subsidy etc.).	To be implemented during 2019.

2.1.2.4 Code of Conduct

CPH City & Port Development makes demands on the company suppliers' human, environmental and financial conditions in order to ensure sustainable purchases and influence our suppliers to ensure socially responsible actions and developments. That's why the company prepared a Supplier Code of Conduct to ensure socially responsible supplier control.

In connection with the CSR report 2018, it was decided to update CPH City & Port Development's CSR policy and Code of Conduct in 2018. The company postponed its CSR policy work till 2019 in connection with the development of a new business strategy for 2020-2023. In this connection, the method of reporting of objectives will be in focus and the company's work with its Code of Conduct will be evaluated.

Goals for 2018	Status of actions
Evaluation of the Supplier Code of Conduct for CPH City & Port Development's partners. This evaluation forms part of the preparation of a new CSR policy reflecting UN's global goals.	Not achieved as a result of the preparation of a business strategy – this goal has been postponed till 2019

Goals for 2019	Status of actions
Evaluation of the Supplier Code of Conduct for CPH City & Port Development's partners. This evaluation forms part of the preparation of a new CSR policy reflecting UN's global goals.	To be prepared during 2019.

2.1.3 Anti-corruption

As a publicly owned urban development company, CPH City & Port Development finds it important to work actively to counteract the risk of corruption and nepotism.

CPH City & Port Development is covered by EU's tendering rules and by the Danish Tender Law and also has a policy regarding the selection of suppliers

which stresses that suppliers must be selected based on a factual, objective and non-discriminatory decision. The policy also includes written guidelines on how to select suppliers for purchases exceeding DKK 300,000 but which are not covered by EU's tendering rules.

It is standard practice in many industries for suppliers to try to develop cooperative relationships with their customers through a wide range of activities. CPH City & Port Development's employees can participate in certain of these activities in a normal commercial manner but CPH City & Port Development's policy for travel and representation includes guidelines for this.

CPH City & Port Development requires suppliers and their subcontractors to avoid all types of corruption, including bribery and similar illegal methods as a means of gaining undue influence or advantages of a businesslike nature. The company's expectations of suppliers regarding anti-corruption and bribery are described in the guidelines "Suppliers' societal responsibility/Code of Conduct".

Finally, the company implemented a whistleblower scheme in 2016 where employees and partners may report illegalities, if any.

There were no reports under the whistleblower scheme in 2018.

Goals for 2018	Status of actions
Evaluation of the whistleblower scheme.	Achieved. No reports were made under the whistleblower scheme in 2018.

Goals for 2019	Status of actions
No reports under the whistleblower scheme.	To be determined in 2020

2.2 Focus on the environment (principles 7-9)

CPH City & Port Development delivers long-term, coherent urban development. Consequently, CPH City & Port Development has a special responsibility to minimise the negative effects, if any, on the environment and climate resulting from the company's development projects. CPH City & Port Development works actively in environmental protection, energy-efficient solutions and climate proofing of our urban areas. As part of these efforts, CPH City & Port Development requires DGNB certification of our new urban areas and also that the clients in our urban areas have Gold DGNB certification of their buildings.

As a leading stakeholder in urban development, CPH City & Port Development can also promote overall environmental sustainability in the industry. That's why the company is involved in strategic partnerships regarding environmental initiatives in order to develop new innovative sustainable solutions in collaboration with universities, suppliers and users. Finally, the company will evaluate its Code of Conduct next year and also assess how the company can integrate environmental responsibility in its supplier chain in future.

Goals for 2018	Status of actions
To update the strategy for the company's efforts in sustainability,	Achieved. Integrated in the company's business strategy for 2020-2023

including setting priorities in relation to UN's global goals.	
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2.2.1 Area development

2.2.1.1 DGNB certification

CPH City & Port Development has completed DGNB pre-certification of Sundmolen, Trælsthølmolen and Levantkaj Vest in Platinum. The halfway certification is expected to be completed when the metro opens. The project regarding the new city district on Levantkaj was submitted for pre-certification in April 2019. Finally, two new city districts are in the pipeline: Vejlandskvarteret and Bådehavns­gade Øst. Pre-certification is expected to be made of these projects in connection with the preparation of the district plan in 2020.

Since 2015, CPH City & Port Development has been working actively to integrate DGNB clauses in sales agreements and the share of contracts with a DGNB clause has been steadily increasing in recent years – from 25 per cent in 2016 to 67 per cent in 2018. It takes time to achieve a full implementation of the strategic decision. It has e.g. not been able to incorporate DGNB clauses into all sales agreements since 2015. Some of the sales agreements have been negotiated for several years, and therefore it has not been possible to change the terms in the sales agreements. And for some types of constructions, there was no DGNB certification when the sales agreements were concluded.

	2015	2016	2017	2018
Number of concluded sales agreements	4	20	18	9
Of which DGNB clause	0	5	9	6
Procent	0%	25%	50%	67%

Generally, the clients are required to achieve Gold as a minimum in connection with building activities in the company's areas but in special cases, CPH City & Port Development has accepted Silver certification of a building activity.

Goals for 2018	Status of actions
To prepare the pre-certification of Levantkaj acc. to DGNB in 2019.	Achieved

Goals for 2019	Status of actions
Approval of the pre-certification of Levantkaj	To be implemented in 2019
To prepare the pre-certification of the city districts Vejlandskvarteret and Bådehavns­gade acc. to DGNB.	To be implemented in 2019

2.2.1.2 Strategic partnerships in relation to environmental and social sustainability

- CPH City & Port Development also enters into various strategic partnership in order to promote sustainable urban development, both in terms of environmental and social sustainability. These include: EnergyLab Nordhavn, which is 4½-year partnership between CPH City & Port Development, DTU, the City of Copenhagen, HOFOR, Radius and various suppliers with the purpose of testing sustainable solutions in heating, cooling and electricity in Nordhavn.
- The Horizon 2020 project "AVENUE", which is a test of automotive busses where CPH City & Port Development together with Autonomous Mobility and 15 other partners test and compare automotive transport in Nordhavn, Geneva, Lyon and Luxembourg over the next 4 years.
- SIMS, a 4-year project regarding mobility patterns supported by the Innovationsfonden which compares the use of city bikes, shared cars and collective transport in Nordhavn, Folehavnen and Nærheden in Høje Taastrup). Partnership between the University of Aalborg, the City of Copenhagen, Høje Taastrup Municipality and various operators.
- Naturpark Amager, which is a partnership between the Danish Nature Agency, the City of Copenhagen, Tårnby and Dragør municipalities and CPH City & Port Development. Its purpose is to develop recreational offers in the nature park – the largest natural resort in the Danish capital – and to entice more Copenhageners to use the area. In a close dialogue with users and citizens alike, efforts are focused on nature and outdoor activities as well as scenic correlations between nature and city. Three new main entrances are planned in the transition between Ørestad and nature as well as various blue supports along the nature park and the water surrounding the nature park. The supports also assist CPH City & Port Development's implementation of a new harbour strategy.
- Green solutions in harbour operations which is a partnership between CPH City & Port Development, Copenhagen Malmø Port and the City of Copenhagen with the purpose of improving air quality for the citizens and neighbours of Copenhagen harbour and limiting the emissions from cruise ships in the districts close to the harbour. At first, this will be implemented by planning a land-based power system for cruise ships at the Oceankaj in Nordhavn which is expected to be finished in 2021. Beyond that, the collaboration will look at how to reduce emissions from canal tour boats and find a model for establishing a land-based power system at Langelinie. Finally, focus will be on establishing a Nordic collaboration regarding land-based power systems in harbours in the Baltic region.

Goals for 2019	Status of actions
ELN	The projects will be completed in 2019, and an evaluation report with results of value to CPH City & Port Development will be presented.
Horizon 2020	To be launched in 2019 and completed at the end of 2022.
SIMS	To be launched in 2019 and completed at the end of 2022.

Naturpark Amager	The winner of the architect competition was published in January 2019. Qualification of the winning project is in progress with a view to the regulatory process in 2020.
Green solutions at the harbour	Participation in a working group to plan the land-based power system for Oceankaj. Proposal for a model for a land-based power system at Langelinie. Plan for the reduction of the emissions from canal tour boats.

2.2.2 Buildings

CPH City & Port Development has 250,000 sq.m. of buildings let out for commercial use and utilised by the company. CPH City & Port Development works continuously to implement energy efficiency measures in rental properties in order to influence its tenants to adopt a more sustainable development. CPH City & Port Development's own buildings are being prepared for energy efficiency measures in collaboration with the company's tenants. When renovating buildings, CPH City & Port Development observes the Danish BR18 and the coming BR20 building regulations.

Together with the City of Copenhagen, CPH City & Port Development participates in the Energispring partnership which commenced in 2016. Its purpose is to promote energy savings in properties in Copenhagen. The company enrolled seven rental buildings in 2017, including four warehouses at Sundmolen and three administration buildings at Tulipangrunden. All the projects have focused on optimising district heating stations. In 2018, two additional buildings in the Århusgade district were enrolled. Historically, it has not been possible to read the consumption of electricity, heating and water in the buildings but with Energispring it will gradually be possible to read electricity and heating in the buildings. Water meters will also be installed in old tenancies.

For several years, CPH City & Port Development has worked on implementing energy efficiency measures the old main building on Nordre Toldbod 7. The 150-year-old building is listed and the energy renovation has had to allow for aesthetic considerations. The renovation of windows was completed in 2018, and re-insulation of the roof is planned for 2019/2020. The heating account statement of Nordre Toldbod shows reduced heating consumption.

Goals for 2018	Status of actions
To establish the homeowners' association secretariat at Nordhavn to ensure local anchoring and ownership when CPH City & Port Development transfers the area to the homeowners' associations.	Achieved
To continue as an active participant in Energispring with two more enrolled buildings and continued focus on optimising energy and water consumption.	Achieved

Goals for 2019	Status of actions
Reinsulation of the roof at Nordre Toldbod with a view to implementing energy efficiency measures	To be implemented in 2019/2020.

2.2.3 Multi-storey car parks

In CPH City & Port Development's city areas at Nordhavn and Ørestad, common extensive car parks will be established. Overall, this will make better use of the parking facilities in the area. The car parks have been designed to reduce energy consumption at several levels. Most multi-storey car parks have been designed with central ramps which optimise driving in the car park. A power-saving lighting concept has also been used consisting of 100% LED lamps of which 2/3 switch off automatically to have everlighting light only in the core of the building. Power savings are also achieved by having 50 per cent of the car park facades open which means that the use of artificial ventilation in the car parks can be reduced.

2.2.4 Environmental requirements for suppliers

CPH City & Port Development makes demands on the company's suppliers. The company's current expectations of suppliers regarding environment and climate are described in the guidelines "Suppliers' societal responsibility/Code of Conduct".

The company will evaluate its Code of Conduct next year and also assess whether the company must integrate environmental responsibility more actively in its supplier chain in future.

2.2.5 Urban life and inclusion

CPH City & Port Development develops vibrant and inclusive city districts, among other things by ensuring that the districts have a balanced mix of residences and businesses as well as diverse residential sizes and ownerships. The company also focuses on providing the areas with excellent urban life qualities, including nearby retail shops, access to institutions as well as access to green and blue public open spaces. Finally, CPH City & Port Development strives to ensure continued excellent urban life in the company's urban development areas by facilitating the launch of homeowners' associations, sports, culture and association activities, etc. A lack of focus on social sustainability may involve a risk of exclusionary districts which are not considered attractive to work and live in.

CPH City & Port Development also develops Copenhagen harbour. It must be a recreational harbour which is the blue meeting place of the capital, tying the city districts close to the harbour in Copenhagen together. In 2018, CPH City & Port Development adopted a harbour strategy and works to make room for more activities in the recreational harbour. It must also provide a safe setting and good harbour culture for the good social activities in and around the harbour. In 2019, several of the focus points of the harbour strategy will be launched.

CPH City & Port Development enters into various strategic partnerships in order to develop attractive and vibrant urban environments, including:

- Association activities at Nordhavn where CPH City & Port Development together with DGI and Idrætsforum København have taken the initiative to establish association activities which are to help launch communities consisting of the users of the city district.

- The Floating Activity House (Det Flydende Aktivitetshus) at the bathing zone in the Århusgade district which is a project meant to support facilities in and on the water.
- The City House (Byens Hus), which is a community and culture house at Ørestad Syd, developed in close collaboration with citizens and users and designed for activities and common functions in the city district.

Goals for 2018	Status of actions
To establish the homeowners' association secretariat at Nordhavn to ensure local anchoring and ownership when CPH City & Port Development transfers the area to the homeowners' associations.	Achieved

Goals for 2019	Status of actions
Harbour strategy – commencement of action plan, including: <ul style="list-style-type: none"> • Establishment of a partnership for a safe harbour • Start-up of the Blue Council (Blå Råd) • Implementation of expression of interest regarding user interests 	<p>To be implemented in 2019</p> <p>To be implemented in 2019</p> <p>To be implemented in 2019 (first time)</p>
Establishment of Det Flydende Aktivitetshus at Nordhavn	To be implemented in 2019
Entering into agreement regarding establishment of Byens Hus at Ørestad Syd	To be implemented in 2019

3 Multiplication of CPH City & Port Development's COP

CPH City & Port Development will publish this COP on our website www.byoghavn.dk