

Our Contribution

- To Social, Environmental & Economic Sustainability

2010 Corporate Social Responsibility Report



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MESSAGE FROM THE CEO

Our purpose is to promote sustainable development. As a given we act in accordance with the principles we advise clients to apply. We believe that the internationally agreed principles for sustainable development add needed quality to the field. The Principles-Based Approach to CSR enables us to address our impact on essential areas for sustainable social, environmental and economic development. Also it enables cost-efficient approaches to best manage such impact. We intend to maintain our leadership position in the field ensuring that fulfilling our purpose is also profitable for our business

It is my pleasure to present our first Corporate Social Responsibility (CSR) report describing examples of our internal and external efforts with regard to CSR during 2010. GLOBAL CSR was established as a consultancy almost 15 years ago. As one of the first professional advisors on CSR worldwide we have always optimised the social, environmental and economic impact of our business. That is a matter of integrity. The report describes our top priorities for action and provides information on our performance in 2010; a snapshot. Also our objectives for the future are described.

It is important for GLOBAL CSR that we continuously contribute, while avoiding becoming a barrier, to sustainable social, environmental and economic development. We continue to support the UN Global Compact which provides for a consistent and transparent framework for our CSR efforts and reporting. We acknowledge the important role that the initiative has in mainstreaming the concept and practice of CSR based on internationally agreed principles.

To put the principles into practice, we rely on the enthusiasm, creativity and inspiration of our employees in inspiring businesses to adopt profitable sustainability strategies. We look forward to continuing our work on CSR in 2011, and aim to improve our performance in areas of key importance to the future of our planet.



Sune Skadegaard Thorsen, CEO



ABOUT GLOBAL CSR

GLOBAL CSR is a privately owned consultancy firm located in Copenhagen, Denmark. As a leading Corporate Social Responsibility (CSR) consultancy firm, we specialise in creating sustainable solutions for private companies, public authorities and organisations in a range of countries and industries. Since 1996, GLOBAL CSR has carried out assignments in all parts of the world.

Our key asset is knowledge. In an effort to contribute to sustainable development, we share our knowledge by advising organisations and initiatives that are key players in the continued development of CSR. These efforts include both paid and pro bono work for organisations such as The Danish Government Centre for CSR, United Nations Global Compact (UNGC), the Global Business Initiative on Human Rights, the Institute for Business & Human Rights, the UN Special Representative of the Secretary General on business & human rights, the European Bars' and Lawyers Association, the Danish Industrialisation Fund for Developing Countries and a range of civil society organisations. Integrity is integral to the way we do business. We provide advice that leads to long term sustainable solutions for our customers and we only support CSR activities, which we genuinely believe contribute to sustainable development.

OUR WORK

GLOBAL CSR assists and advises corporations in developing and implementing strategies in line with the triple bottom line concept and internationally recognised principles. We call this the Principles-Based Approach to CSR. With more than 15 years of experience in CSR and an extensive network of domestic and international partners, we are able to provide the most qualified, up-to-date and experienced consultancy.

Our goal is to develop innovative models to address sustainability, enabling differentiation and cost-efficiency thereby increasing the value of the organisation for the client.

GLOBAL CSR is experienced in the full cycle of CSR implementation from pre-assessment, risk & opportunity analyses, vision statements, strategies, policies, over training to action planning, project design, implementation and evaluation. In addition, our team has vast experience in evaluating both corporate and public programmes and in performing social impact assessments.

A deep understanding of the needs and wishes of business as well as each individual organisation that we assist, enables us to create socially, environmentally, and economically sustainable CSR strategies.

OUR VISION

We envision a world of diverse social, environmental and economic abundance and sustainability, in which all human beings enjoy the full realisation of their human rights. A world where businesses live by principles essential for becoming key players in the co-creation of a brighter future for our planet, humanity – and not least for doing business.

GLOBAL CSR is a catalyst for such development. We are recognised as a preferred partner advising corporations, governments, multilateral organisations and non-governmental organisations on how to make the international principles of CSR operational and profitable.



OUR MISSION

GLOBAL CSR will run a profitable business by:

- ❖ Promoting the work on sustainable development through a focus on the Triple Bottom Line (people, planet and profit)
- ❖ Inspiring and assisting corporations, governments and organisations in developing and implementing CSR activities and thereby creating value
- ❖ Delivering innovative and simple solutions, which create value for corporations. We apply the principles from the UNGC as our framework for strategic CSR
- ❖ Maintaining our high professional integrity
- ❖ Making the "business case for CSR" essential for the way we run our business

THE 10 GLOBAL COMPACT PRINCIPLES

The UN Global Compact Principles cover all three bottom lines: The first six principles (human rights, including core labour rights) are key to social sustainability, the following three to environmental sustainability, and the tenth principle to economic sustainability (anti-corruption).



❖ HUMAN RIGHTS

- PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- PRINCIPLE 2: make sure that they are not complicit in human rights abuses.

❖ LABOUR STANDARDS

- PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- PRINCIPLE 4: the elimination of all forms of forced and compulsory labour;
- PRINCIPLE 5: the effective abolition of child labour; and
- PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.

❖ ENVIRONMENT

- PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges;
- PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and
- PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.

❖ ANTI-CORRUPTION

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

SOCIAL SUSTAINABILITY

PRINCIPLES 1-6

Our primary social sustainability impact is through the actions of the clients we advise

In all of our activities, GLOBAL CSR respects and is committed to support human rights including the core labour rights, which form the heart of social sustainability; human dignity. The basic human rights principles are essential for the wellbeing and development of all people. They cover all basic needs for enhancing human dignity. We continue to sharpen our unique skills and expertise in this area, as it is through our consulting services that our main contribution to sustainable social development lies.

Our impact

As a consultancy firm we assist corporations that are both experienced and leading within the field of CSR as well as corporations that have only just begun working with the area. Our services also span across borders, both when we provide services to international corporations and when we advise clients to address CSR in all their relations; both in supply chains and downstream. By assisting our clients to contribute, while complying with the agreed principles for social

sustainability, we ensure that CSR efforts both serve society and our clients. Using the principles for sustainable development we are experts in identifying both challenges and opportunities in CSR.

GLOBAL CSR consultants are recognised as leading experts on the application of the International Bill of Human Rights as the basis of CSR activities in relation to social sustainability. CEO, Sune Skadegaard Thorsen is an active member of several international professional bodies developing CSR.

UN Special Representative of the Secretary General on business & human rights

GLOBAL CSR has since the appointment of the UN Special Representative on business and human rights, Prof. John Ruggie, supported his work. We are impressed with the thoroughness and diligence of the work and, even more so, with the results.

In 2008 the unanimously adopted Policy Framework resting on the three pillars of State Duty to Protect, Corporate Responsibility to Respect and Access to Remedy created an unprecedented basis for advancing social sustainability. Most stakeholders supported the Framework.

In 2010 the Draft Guiding Principles for making the Framework operational pragmatically outline key processes that both governments and businesses need to implement. We await with great expectations the Final Guiding Principles and their adoption in the UN

GLOBAL CSR regularly participates in the public debate on business and human rights and the Principles-Based Approach to CSR. We regularly publish articles and participate in national and international working groups related to the 10 UNGC principles and CSR. We devote time to engage in the debate because we can see the added value of this approach to our clients and to society. Continuing to promote social sustainability is therefore an ongoing objective for GLOBAL CSR and an area where we can make a difference.

Organisational knowledge

We recognise that knowledge is our primary resource. The success of our business depends on our knowledge and competencies and our abilities to communicate this knowledge. It is important for GLOBAL CSR to continuously improve our competencies on CSR and sustainable development in theory as well as in practice because it is a key factor in the long-term success of our firm. It is also important for us to share our knowledge supporting the development of the CSR field to find better, more cost-efficient and innovative ways to address global challenges in relation to social sustainability. Two key principles for social sustainability, where our competences and products can make a big difference are: Freedom of Information and Right to Education.

In 2010 GLOBAL CSR gave presentations at several national as well as international seminars, workshops and debates on CSR. As examples:

- GLOBAL CSR joined leading panelists at the UN Global Compact Asia Pacific Conclave in India to discuss how enterprise value can be enhanced using the UN Global Compact.
- GLOBAL CSR conducted seminars at the Danida Fellowship Centre and Mannaz about strategic CSR and implementation. Also GLOBAL CSR spoke in Denmark, Egypt and India about the launch of Prof. Ruggie's UN Guiding Principles (draft) outlining the basic UN expectations to businesses regarding processes to handle corporate responsibilities on human rights.

In total our CEO gave public presentations (not including corporation specific trainings or presentations) for more than 60 hours in 2010 up from 20 hrs. in 2008 and 30 hrs. in 2009.

We also publish educational material, academic and non-academic articles and are often interviewed by the media. In 2010 our CEO Sune Skadegaard Thorsen accepted to function as external examiner at Roskilde University Centre, Global Studies, and as external lecturer at the Copenhagen Law Faculty teaching CSR under Corporate Governance.

GLOBAL CSR's most valuable assets are the knowledge of our people and the know-how we manage to convert to actual tools. We seek to provide the best opportunities for development. Unlike traditional consultancies we keep the minimum for required billable hours relatively low and we take pride in enabling our employees to leave the office after official working hours. In this way we enable our employees to maintain focus during working hours, develop skills and innovate. The success of our team - and hence the firm's success - depends on the professional development of all employees.

In 2010 we managed to engage four interns and four students. They were all trained to understand and apply the Principles-Based Approach to CSR.

We encourage our people to improve their performance and invest in their knowledge and skills, by coaching and mentoring on an ongoing basis to ensure their long-term employability, growth and personal development.



Employee satisfaction and productivity

We acknowledge that our responsibility extends to providing our people with safe, healthy, and stimulating working conditions in full respect of all their human rights. GLOBAL CSR strives to create an attractive working environment and establish a team spirit that is based on mutual appreciation and partnership, stimulating our employees to achieve their full potential.

Diversity in the workforce is an essential topic in GLOBAL CSR. We believe that diversity enables the organisation to improve its ability to innovate. 70 per cent of our knowledge is tacit, i.e. resting with our employees. 70 per cent of an individual's knowledge lies with her network. In sum the more diversity we manage to establish, the more knowledge we can access and the better decisions we able to make.

We also appreciate that all people suffer from the need to reduce complexity, establish stereotypes and thus occasionally will act with prejudice. Working in Denmark represents an increased challenge in this respect as the Danish education system has very little focus on creating competences in this area. GLOBAL CSR will in 2011 carry out training for our employees to understand and counter both individual and structural discrimination.

Article 2 of the Universal Declaration of Human Rights

"Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status... ()"

In addition a business that actively supports diversity can improve employee satisfaction, productivity, and retention. Also a diverse workforce is better equipped to understand the global marketplace which we serve.

Employee turnover among employees on fixed contracts was 28 per cent in 2010. This is higher than expected and it is a priority to improve retention moving forward.

Handling stress is a known challenge in consultancy firms. Insecurity about the next assignment, the need for optimal performance every day and the need to stay on top of the subject make the work as consultant challenging. GLOBAL CSR is very much aware of our challenges and in 2010 we improved our focus on the causes for stress and will continue to seek to minimize stress factors in 2011.

In general, GLOBAL CSR strives to keep working hours at the agreed 37 hours a week. We also allow for flexible hours and occasionally that employees can work from home when needed and appropriate.

In addition our employees' health is important and we ensure access to healthy food, exercise and fresh air thereby energising and motivating our employees. GLOBAL CSR provides a healthy lunch and fresh fruit every day. GLOBAL CSR takes a proactive approach to ergonomics as we spend many hours behind a computer. Proper ergonomic design is necessary to prevent repetitive strain injuries. Ergonomic chairs, tables and office equipment along with a yoga pillow for backaches improve the right to a safe and healthy working environment. Employees can take a run or go for a walk during working hours and are encouraged and advised to take internal meetings during a stroll in the neighbourhood when possible.



People



Planet



Profit

- We recognise the importance of complying with all basic human rights, and we seek to contribute to the human rights principles well beyond compliance.
- We endeavour to minimise our environmental impact and where possible enhance our positive environmental impact.
- We apply a zero tolerance approach to corruption, while seeking to enhance our positive economic impact.

ENVIRONMENTAL SUSTAINABILITY

PRINCIPLES 7-9

We endeavour to minimise our negative environmental impact and where possible enhance our positive impact

GLOBAL CSR supports and strives to demonstrate environmental responsibility through our work, as well as internally in our business. Our external contribution to environmental sustainability stems from assisting businesses in minimising their negative environmental impact on the planet.

Our impact

GLOBAL CSR works to promote environmental protection and efficiency policies with our clients. In 2010, GLOBAL CSR assessed and advised Danish and international clients on incorporating principles 7-9 of the UNGC into their core business operations. These three principles serve to support precautionary approaches to environmental challenges, to undertake new initiatives on environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies.

In 2010, we assisted our clients in meeting the growing environmental challenges and requirements that they face

today. We work in cooperation with our strategic partners that are leading experts on environmental sustainability. We have, advised clients to perform environmental impact assessments, carbon and water footprint assessments and establish sustainable supply chain solutions. Also, as part of raising public awareness and meeting the growing need for education on CSR and the business case for being environmentally responsible, we have participated in seminars and workshops, as well as facilitated and held several seminars and workshops on, say, the *cradle to cradle* concept.

It is our goal for 2011 to contribute positively to the development of corporate environmentally responsible profiles and practices for businesses as an integrated and strategic way of doing business.

Our efforts

At GLOBAL CSR, we continuously seek to reduce our environmental impact by promoting and always seeking to use the best forms of transportation when possible, such as bicycling, using public transportation and carpooling. In 2010 GLOBAL CSR reduced the company's CO₂ emission by moving our offices to central Copenhagen, thereby significantly reducing emissions from employees commuting back and forth. Our new location has also decreased travel time to clients' offices. Where clients are not located nearby, employees commute by train making travel time faster as well as more

environmentally friendly and productive, since employees can use the travel time for preparation.

To minimize our use of air travel we seek to hold meetings through video and teleconferences when possible. During 2010 we held several meetings through teleconferences with clients both in Asia, South America and Scandinavia. Using online technology to meet with clients serves both as an economic and environmental enhancement as well as a positive contribution to our employees work-life balance.

However, being a consultancy that serves clients around the world, we cannot eliminate air travel. The personal presence is often needed as part of our work. Ensuring high quality and service in our work often requires that we perform onsite assessments in all operations and branches of a client. Change management and capacity development are essential components of our work and requires interpersonal skills and presence. Furthermore, we seek to maintain our position as frontrunners in the field of CSR. This requires that we take part in the debate on the development of the field which often involves speaking at international conferences and meetings. The bulk of our CO₂ emissions therefore mainly stems from international air travel.

TOTAL CO₂ EMISSIONS FROM AIR TRAVEL IN 2010:

21.26 tons

GLOBAL CSR will allocate funds to offset all 2010 emissions. This will support principle 8 of the UNGC in a pragmatic manner until the technological development and our financial capacity enables us to eliminate our negative impact. In the long run, it is GLOBAL CSR's goal to become CO₂ neutral and increasingly generate a positive impact on the environment beyond our indirect contributions through the actions of our clients.

In 2010, GLOBAL CSR began developing and implementing an environmental action plan, which promotes green purchasing options e.g. new energy efficient office supplies and an improved waste disposal/recycling system. As an example we use recycled paper, reusable printer cartridges and strive to print only when strictly necessary. GLOBAL CSR will continue to further develop and implement our environmental action plan in 2011.

ECONOMIC SUSTAINABILITY

PRINCIPLE 10

Our mission is to run a profitable business through promoting sustainable development

GLOBAL CSR applies a zero tolerance policy in relation to corruption. In line with principal 10, we work against corruption in all its forms, including extortion and bribery, and we are committed to compliance with international recognised principles, such as the UN Global Compact, as well as local anti-corruption and bribery laws. Whereas corporate economic responsibility initiatives need to address the international principles on anti-corruption, we also advise our clients in relation to financial gearing, good corporate governance and tax payments. In 2010 GLOBAL CSR started exploring ways of addressing anti-corruption in India through innovative partnerships.

Our impact

Through our work we contribute to the elimination of corruption, as we advise clients on corporate economic responsibilities and opportunities. In cooperation with our strategic partners we help our clients implement the 10th principle of the UNGC strategically into their businesses.

Our efforts

In 2010 we advised several businesses on economic sustainability. Examples include the establishment of whistle-blowing mechanisms in more than 14 countries and identifying opportunities for turning anti-corruption challenges into opportunities.

In an economic sense 2010 was a significant year for GLOBAL CSR and our CSR work – internally as well as externally. As consultants we were still confronted with the realities of the economic downturn that made most corporations very hesitant to spend resources on external consultants. Nevertheless GLOBAL CSR managed to create a 30 percent increase in turnover in 2010 compared to 2009. Furthermore, from 2009 to 2010 our client base increased with 33 percent. Our development is an indication of our improved performance, as well as a reflection of the growing demand for CSR professionals. We experience that businesses, governments and organisations increasingly realise the importance of and opportunities in addressing CSR diligently. The increase of CSR initiatives in the private and the public sector will hopefully amplify in 2011 leading to greater results for our business as well as for society, the environment and the economy. By every hour's advice sold, GLOBAL CSR made a contribution to sustainable development through the impressive actions of our clients.

CHALLENGES AND FUTURE CSR WORK

People

Being a consultancy and working with multiple clients around the world, it can be a challenge to find the right work-life balance to be successful both in and outside of work. In 2011 we will continue to strive for finding ways to better handle and balance the stressful aspects of our working environment, in order to promote a physically and psychologically healthy workplace. Improved general appreciation and understanding of both open and hidden structures of discrimination is intended to support the creation of a working environment, where everybody enjoy enhancement of their dignity.

Planet

In 2010, GLOBAL CSR improved its environmental impact. However, we will continue this development in 2011 by offsetting our emissions and finding alternatives to travelling by air when possible. In 2011, GLOBAL CSR will also work toward more comprehensively measuring its environmental impact beyond commuting and business travel.

Profit

An ongoing challenge for GLOBAL CSR and for our line of business is the aspect of integrity. NGOs and other stakeholders may ask; “how can you legitimise working for companies who are major polluters or have been found to violate human rights?” However, the core of GLOBAL CSR’s vision is to advise businesses and organisations to work toward achieving a sustainable world and we believe that by assisting our clients, we contribute to the progression and development of more socially, environmentally and economically sustainable businesses. This is coherent with our vision of a brighter future for our planet, humanity – and not least for doing business. Our role vis-à-vis business is not to act as watch dogs, but to assist them in improving performances. Nonetheless, maintaining a high level of integrity is paramount to GLOBAL CSR and we will continue to apply our integrity measures when evaluating clients, the specific tasks and the advice we give them.

Making a difference: Cross-cutting projects

During 2010, GLOBAL CSR launched its new supplementary approach to traditional responsible supply chain management (RSCM). The approach is called *Responsible Supply Chain Management 3.0*. A report revisiting traditional approaches to

RSCM was prepared in 2010 and published January 2011. The study has been co-financed by the Danish Ministry of Foreign Affairs and was carried out in cooperation with Copenhagen Business School. We plan to further develop and pilot test the new supplementary approach to RSCM in 2011. The report can be downloaded at <http://www.global-csr.com/publications.html>

GLOBAL CSR has in 2010 prepared a learning- and advisory process for Small and Medium sized Enterprises (SMEs) that will give participants a unique opportunity to fully exploit the benefits of CSR, in addition to creating a forum to promote

their efforts and share experiences. The initiative supports the Danish Government's goal (from the action plan, 2008 and the objectives from 2010) to promote CSR among SMEs. The process will be offered in 2011.

In addition our focus on 'right to education' has resulted in two projects that were also developed in 2010 for launch in 2011. We expect to publish a book for managers describing the 'what, why and how' of the Principled-Based Approach to CSR. In addition we expect to finalise and launch an innovative project to improve CSR in-house training on a larger scale.

'Our contribution' is published in English only and will be permanently available for download online on www.global-csr.com and on unglobalcompact.org. For further information about this report and the services of GLOBAL CSR, please contact us at info@global-csr.com or +45 44 99 55 06.

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