

Our Contribution

- To Social, Environmental & Economic Sustainability

“Our Time”

2011 Corporate Social Responsibility Report



Table of Contents

Message from the CEO	3
About GLOBAL CSR.....	4
Our Vision	5
Social Sustainability.....	7
Environmental Sustainability.....	14
Economic Sustainability.....	16
Challenges and Future CSR Work	17

MESSAGE FROM THE CEO

Our purpose is to promote sustainable development, whilst increasing financial returns to our owners. CSR is our business. We act in accordance with the principles, we advise clients to apply. We believe that 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. It enables a cost-efficient approach to best manage such impacts. 2011 was, to use the words of Prof. Ruggie, "the end of the beginning". The UN Guiding Principles on Human Rights and Business (UNGPs) were unanimously passed by the UN. With this unique and pragmatic global reference point, we have adopted a new heading to our strategy: "Our time".

Based on Prof. Ruggie's remarkable achievements it is my pleasure to present our second CSR report describing our CSR efforts in 2011. GLOBAL CSR was established as a consultancy more than 15 years ago. As one of the first professional advisors on CSR worldwide we continuously seek to optimise our social, environmental and economic

impact. The report describes our priorities for action and provides a snapshot of our performance in 2011. Our prime objectives for the future are also described. It is vital for GLOBAL CSR that we continuously contribute, while avoiding becoming a barrier, to sustainable social, environmental and economic development. We will continue to support the UN Global Compact as the framework and the UNGPs for implementation of CSR principals. Aside from being relevant for us and our clients, both of these initiatives provide a globally consistent, comparable and transparent framework for CSR performance and reporting.

We acknowledge the importance of the UN in mainstreaming CSR based on internationally agreed principles, and strongly support the ASEAN and EU policy commitments to enhance such development. To put the principles into practice, we rely on the enthusiasm, creativity and inspiration of our employees and partners in inspiring businesses to adopt profitable sustainability strategies.

We look forward to continuing our work on CSR in 2012, 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), CSR Europe, 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 newly established UN Working Group, 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 both short and long term benefits for our clients and for sustainability. We support CSR activities, which we consider will actually 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 based on an internationally recognised Principles-Based Approach to CSR. With more than 15

years 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 advice.

We are continuously developing innovative models and products addressing sustainability, whilst enabling differentiation and cost-efficiency. GLOBAL CSR is experienced in the full cycle of CSR implementation from assessments, risk & opportunity analysis, 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. In setting overall objectives for the work on CSR, we have experienced that our clients are best served by adopting the Principles-Based Approach. The Stakeholder-Based Approach serves well in risk-identification processes and for identifying key enablers or critics when optimising our clients' implementation of objectives. We see stakeholder engagement as a tool rather than an end in itself.

A deep understanding of the necessities of business as well as a tailored approach to each of our clients enables us

to create socially, environmentally, and economically sustainable CSR solutions.

OUR VISION

We envisage 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 the principles essential for becoming key players in the co-creation of a brighter future for our planet, humanity – and not least business itself.

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. As leaders in business and human rights for 15 years we have developed unique competences and tools in this field.

OUR MISSION

GLOBAL CSR will run a profitable business by:

- Promoting sustainable development through a focus on international principles covering the Triple Bottom Line. We apply the principles from the UNGC as our framework for strategic CSR, and the UNGPs for implementing compliance.
- 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. The "business case for CSR" is essential for the way we run our business, while maintaining the highest professional integrity.

The 10 UN Global Compact principles



❖ 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 and 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 development lies.

Our impact

We assist corporations that are both experienced and leading within the field of CSR as well as corporations that just begun working within the area. Our services span across borders, both when we provide services to international corporations and when we advise clients on how to address CSR in all their relations; be it supply chains, distribution chains or other relations. By assisting

our clients to contribute, while complying with the internationally agreed principles for social sustainability, we ensure their CSR efforts serve both society and their own business objectives. Based on 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 and the UN Guiding Principles for Business and Human Rights as the basis of CSR activities in relation to social sustainability. CEO, Sune Skadegaard Thorsen is serving in a range of international professional bodies developing the field of CSR.



UN Guiding Principles on business & human rights

GLOBAL CSR has since the appointment of the UN Special Representative on business and human rights, Prof. John Ruggie, actively supported his work. We are impressed with the thoroughness and diligence of his 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 June 2011 the UN Guiding Principles were unanimously endorsed by the UN Human Rights Council. In 2011 GLOBAL CSR took a number of steps to help businesses understand and implement the UN Guiding Principles. We have developed tools, which companies can utilize in order to implement the guiding principles in a consistent and cost efficient manner. In addition we have produced ground-breaking work in applying the UNGPs to both Socially Responsible Investments (SRI) and Responsible Supply Chain Management (RSCM).

We believe that the globally endorsed UNGPs represent a key milestone and provide important guidance for companies on how to contribute to the development of a socially sustainable business sector. And they work in practice.

GLOBAL CSR regularly participates in the public debate on business and human rights and the Principles-Based Approach to CSR. We publish articles and participate in national and international working groups related to the UNGPs, the UNGC principles and CSR. We devote time to engage debates both to promote our services, but primarily because of the added value of this approach to businesses and to society. Continuing to promote social sustainability is thus an ongoing overall objective for GLOBAL CSR. And we know we can make a difference.

Knowledge

We recognise that knowledge is our primary resource. The success of our business depends on our knowledge, 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 and local

challenges in relation to social sustainability. The Right to Education frames our contributions to social sustainability.

Our Contributions

2011 marked a turning point for GLOBAL CSR. Not only were the UNGPs endorsed, but several initiatives that had been under planning and preparation for several years were launched in 2011.

Our flagship strategic CSR project was launched in December 2011 by a strategic donation. GLOBAL CSR donated access to two e-learning modules for the UN Global Compact titled: "What is the UN Global Compact?" and "Why use the UN Global Compact as the basis for your organization's CSR efforts?" The modules can be accessed and used free of charge at <http://www.learncsr.com>, and http://www.unglobalcompact.org/AboutTheGC/tools_resources/general.html Our expertise in CSR combined with the front-end expertise on digital learning of our partners Area9, resulted in the creation of an innovative approach to e-learning focussed on learning objectives, flexibility and dynamic improvement. Our donation to the UN Global Compact will enable not only potential customers but everybody to experience this ground-breaking learning technology. We are developing generic modules on the

UNGPs, human rights, labour rights, environmental responsibility and anti-corruption that can be purchased online. Customised modules were negotiated and sold in 2011 to two corporations operating globally; the subjects cover anti-corruption and anti-discrimination. E-learning can improve the pace of training considerably; which is a great need in CSR. We have high expectations for expanding this work to the market.

Our second objective fulfilled in 2011 was to create and initiative principles-based CSR training for professionals leading to a GLOBAL CSR diploma. The first round, of five training sessions, was run as a test version in early autumn 2011. From November – December the first run of the final version was conducted with very positive feedback from participants. The course has two elements - capacity development in terms of CSR including a firm's understanding of the UNGPs and their role, as well as an opportunity for colleagues to develop innovative high quality CSR initiatives.

Finally, GLOBAL CSR continued to provide knowledge sharing in more conventional forms.

In 2011 GLOBAL CSR gave presentations and lectures at range of national and international seminars, workshops and conferences on CSR; introducing and teaching in the application of the UNGPs. :

- GLOBAL CSR conducted workshops for 70 per cent of executives in Hitachi Europe at venues all over Europe.
- GLOBAL CSR acted as an advisor to the Global Business Initiative on Human Rights and presented at the bi-annual working group and outreach meetings in Sao Paolo, Brazil, and Kuala Lumpur, Malaysia.
- GLOBAL CSR was part of an advisory group to AIM Progress with WWF and the ILO. In October we presented the profound impact of the UNGPs on Responsible Supply Chain Management to a group of major businesses in the Fast Moving Consumer Goods Industry.
- GLOBAL CSR presented in Kiev as key note speaker on the Ukrainian Global Compact annual meeting.
- GLOBAL CSR was part of the advisory group to Danish Investment Fund for Developing Countries (IFU). We participated in creating the criteria for a CSR award and its presentation at the annual CSR award show.
- CEO Sune Skadegaard Thorsen continued to function as an external examiner at Roskilde University Centre for

Global Studies and as external professor at the Copenhagen Law Faculty teaching Corporate Governance. He also taught CSR at the Copenhagen Business School (CBS), Riga Law Faculty and the law faculty at Columbia University.

- In 2011 GLOBAL CSR finalised a larger piece of research for the Danish Ministry of Foreign Affairs on Responsible Supply Chain Management with CBS, and organised a full day conference in March to discuss the findings with business and other stakeholders. The [report](#) is available free of charge. ILO called for a meeting in November in Geneva to discuss the findings that open for a new approach to RSCM.
- GLOBAL CSR conducted professional seminars at the Danida Fellowship Centre and Mannaz on strategic CSR and implementation. In addition several corporate clients received corporate training on CSR also in relation to RSCM.
- GLOBAL CSR offered advice to the student-driven sustainability consultancy 180 Degrees Consulting. Besides offering strategic advice on the development of the organisation, GLOBAL CSR conducted a training session for their team of consultants on strategic CSR.
- All in all an average of more than one presentation a week in 2011.

We also published educational material, academic and non-academic articles and are often interviewed by the media. In 2011 our consultant Signe Andreasen and CEO Sune Skadegaard Thorsen finished their contribution to the book "The UN Guiding Principles on Business and Human Rights – Foundations and Implementation". The book and our contribution: "Remodelling Responsible Supply Chain Management: The Corporate Responsibility to Respect Human Rights in Supply Chain Relations" is published January 2012 by Martinus Nijhoff Publishers.

GLOBAL CSR's most valuable assets are our people's knowledge and the know-how we manage to convert into tools and thus actual practice for businesses. 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 2011 we managed to engage three interns and seven student assistants. They were all trained thoroughly in the tools and principles that we utilise in our consultancy, in

order for them to make their own contributions to sustainable development during their future careers.

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 a stimulating workplace in full respect of all their human rights, including safe & healthy working conditions. GLOBAL CSR strives to create 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 his/her network. In sum, the more diversity we manage to establish, the more

knowledge we can access and the better decisions we can make.

We also appreciate that all people 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 2012 continue training for our employees to understand and counter both individual and structural discrimination.

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

Handling stress is a known challenge in consultancy firms. The uncertainty of future assignments, the need for optimal performance every day and the need to stay on top of the tasks, makes the work of a consultant challenging. GLOBAL CSR is very much aware of our challenges and in 2011 we improved our focus on the causes for stress, and our general employee satisfaction level. In 2012, this issue remains on our agenda.

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.

Our Internal CSR Commitment



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 and internally in our business. Our external contribution to environmental sustainability stems from assisting businesses in minimising their negative and possibly improving their positive environmental impacts on the planet.

Our impact

In 2011, 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.

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.

It is our goal for 2012 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 impacts 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 minimise our use of air travel we seek to hold meetings through video and teleconferences when possible. During 2011 we held several meetings through teleconferences with clients both in Asia, South America and Scandinavia. Using online technology to meet with clients brings both economic and environmental benefits and contributes positively 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 service in our line work often requires onsite presence. Assessments, change management and capacity development are essential components of our work and require presence and interpersonal skills. 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.

Environmental Impact

	2011	
CO2-emissions from air travel in tons	8.37	
Electricity in KWh	1156	
Paper (sheets)	2500	-

In 2012, GLOBAL CSR will allocate funds to offset all 2010 and 2011 emissions, if our income permits. Although this is an imperfect solution, it 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 eventually become CO₂ neutral in our operations and increasingly generate a positive impact on the environment beyond our indirect contributions through the actions of our clients.

In 2011, GLOBAL CSR continued implementation of its environmental action plan developed in 2010, 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.

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 tax payments, financial gearing, and good corporate governance.

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 2011 we advised several businesses on anti-corruption and economic sustainability. Examples include the establishment of 'Speak Up' lines in more than 14 countries and identifying opportunities for turning anti-corruption challenges into opportunities.

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. We have however, experienced that businesses, governments and organisations increasingly realise the importance of, and opportunities in, addressing CSR diligently. With the endorsement of the UN Guiding Principles on Business and Human Rights and their incorporation into OECD and EU frameworks, our expertise is widely requested. We expect that this interest will increase dramatically in 2012; the

indications from the market and all our international partners point in the same direction. Thus, principles-based CSR in the private and the public sector will most likely amplify in 2012 leading to greater results for our business as well as for sustainability. By every hour's advice sold, GLOBAL CSR makes a contribution to sustainable development through the impressive actions of our clients.

CHALLENGES AND FUTURE CSR WORK

People

For consultants with clients around the world, the right to rest, leisure and paid holidays remains a challenge that may well impact the right to a safe and healthy working environment. GLOBAL CSR takes pride in ensuring that employees are well above international standards. 37 hours work week, six week vacation and encouragement from management to ensure a good work/life balance are appreciated elements.

Planet

In 2010 and 2011, GLOBAL CSR improved its environmental impact. However, we will continue this development in 2012.

Profit

Part of the GLOBAL CSR business model rests on our integrity. Using GLOBAL CSR should be a hallmark for genuine strategic CSR work. We have received recognition from our peers, civil society and international experts and the results of many of our clients speak for themselves. Our role vis-à-vis business is not to act as watch dogs, but to assist them in improving performance. Nonetheless, maintaining a high level of integrity is paramount to GLOBAL CSR and we will continue to apply our integrity measures when evaluating clients, specific tasks and the advice we give them.

In continuation of our strategic CSR focus GLOBAL CSR in 2012 will commence an affordable learning- and advisory process for Small and Medium sized Enterprises (SMEs) that provides participants with 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 both EU and the Danish Government's objectives to promote CSR among SMEs.

In 2011 GLOBAL CSR took its first step in the launching of their eLearning tool 'LearnCSR' available at www.learnCSR.com . GLOBAL CSR contributes CSR content through our vast expertise with technical assistance developed by learning technology experts, Area9. Several corporate clients are already using learnCSR™ eLearning modules on various CSR topics. More modules are in the pipeline for 2012. We expect high ROI from this product since our CSR e-learning caters to many needs: cost-time-efficiency; the ability to train many employees; recurrent training; dynamic improvements; capturing learning effects etc. It enables cost efficient training, continuous improvements, based on experience, and keeping exact measures of performance.

In addition our focus on the 'right to education' has resulted in two projects that were also developed in 2011. We have held two workshop series named "GLOBAL CSR Talent and Innovation Lab" during 2011, and will continue to offer these in 2012 along with our SMEs combined learning and planning initiative.

We look forward to an exciting year of cooperation with our clients, peers and stakeholders.

'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 feedback or further information, please contact us at info@global-csr.com or +45 44 99 55 06.

GLOBAL CSR

