

Our Contribution

- To Social, Environmental & Economic Sustainability

2013 Corporate Social Responsibility Report

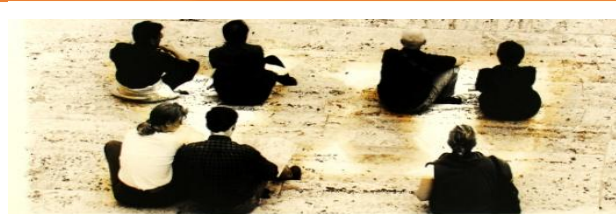


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MESSAGE FROM THE CEO

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 upon principles for sustainable development add needed quality to the field of CSR. The Principles-Based Approach to CSR enables us to address impacts in areas essential to sustainable social, environmental and economic development. Furthermore it provides cost-efficient approaches to better manage such impacts. 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 fourth Corporate Social Responsibility (CSR) report, providing samples of internal and external efforts during 2013. GLOBAL CSR was established as a consultancy in 1996. As one of the first professional advisors on CSR worldwide we continue to optimise the social, environmental and economic impacts of our business. The report describes our top priorities for action and provides information on our performance in 2013. The report also includes our objectives for the future.

It is important to GLOBAL CSR that we continuously contribute, whilst avoiding becoming a barrier, to sustainable social, environmental and economic development. We continue to support the UN Global Compact using the UN Guiding Principles on Business and Human Rights (UNGPs) to provide for a consistent and transparent system for managing adverse CSR impacts. We acknowledge the importance of the UN Global Compact in streamlining international principles for sustainable development with business and of the UNGPs in establishing the minimum required practice in – or the minimum standard for – CSR.

To put the principles into practice, we rely on the enthusiasm, creativity and inspiration of our employees and relationships with inspiring businesses to adopt profitable, engaging and solid, sustainability strategies. We look forward to continuing our work with CSR in 2014, 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.

GLOBAL CSR advisers are recognised as leading experts on the application of the UN Guiding Principles on Business and Human Rights (UNGPs) and 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 the field of CSR.

Integrity is pivotal to the way we do business. We offer advice that leads to long term sustainable solutions for our customers and society. Furthermore we only support CSR activities, which genuinely contribute to sustainable development.

OUR WORK

GLOBAL CSR assists and advises corporations in developing and implementing strategies in line with internationally recognised principles covering the triple bottom line. We named this the Principles-Based Approach to CSR.

With more than 18 years of practice in CSR and an extensive network of skilled partners, we are able to provide the most qualified, up-to-date and experienced consultancy – anywhere in the world.

Our goal is to continue to develop innovative and cost-effective tools and processes to address sustainability, enabling our customers to fully benefit from their investments in CSR. In addition to differentiation and cost-efficiency, we can assist in creating appropriate space and attention to our customers' activities.

GLOBAL CSR has experience working with the full cycle of CSR implementation from pre-assessment, impact assessments (identification), risk & opportunity analyses, vision statements, strategies, policies (policy commitment), capacity development, project design, action planning, implementation (prevention & mitigation), responsible sourcing, responsible investments, responsible distribution and accounting (tracking performance and communicating).

In addition, our team has vast experience in evaluating both corporate and public programmes.

Our comprehensive understanding of business realities in most sectors and for all sizes of businesses allows us to fully address the needs and wishes of our clients.

OUR VISION

We envision a world of social, environmental and economic abundance and sustainability; in which all human beings enjoy the full realisation of their human rights in appreciation of their diversity. A world where businesses live by principles essential to co-creating a brighter future for our planet, humanity – and not least for economic development.

OUR MISSION

GLOBAL CSR's mission is to be a catalyst for positive social development. We enjoy the ability to function as a preferred partner in advising corporations, governments, multilateral organisations and non-governmental organisations on how to make core international principles for sustainable development operational and manageable.

GLOBAL CSR will run a profitable business by:

- Performing work for sustainable development based on the Triple Bottom Line: social, environmental and economic sustainability.
- Inspiring and assisting corporations, governments and organisations in developing and implementing CSR and thereby creating shared value qualified by international principles.
- Maintaining high professional integrity while delivering innovative, cost-effective and simple solutions, which create value for our customers.



SOCIAL SUSTAINABILITY

With the UN Guiding Principles on Business and Human Rights (UNGPs) from June 2011 the world's businesses got an authoritative globally recognized reference point for respecting human rights, including the core labour rights.

The UNGPs describe what should be expected from any business in the world in terms of managing adverse impacts on human rights, i.e. the rights that are also referenced in the first 6 principles of the UN Global Compact.

This Communication on Progress (COP) demonstrates how GLOBAL CSR implements the UNGPs, thus ensuring respect for human rights in the organisation. We hope to inspire other businesses, which are about to do the same.

In addition we will outline where we work beyond compliance, contributing to fulfilling specific human rights principles.

New Practices on Human Rights Impact Assessment

With the UNGPs, new practices around Human Rights Impact Assessments need to be developed. To our knowledge no pre-2011 practices or tools were aligned with the UNGPs. GLOBAL CSR has conducted extensive research in the area since 1996. The UNGPs require companies to assess impacts on all 48 human rights from the International Bill of Human Rights (UNGPs 12). When conducting the Assessment on all 48 rights in all business units, we are expected to engage – as a minimum - with affected stakeholders (UNGPs 18). GLOBAL CSR reviewed the few publicly available assessments. It appears that companies seek to meet the new requirements by applying pre-2011 approaches. As an example, some assessments seek to predetermine the scope to a few human rights only (typically including impacts on 8-12 human rights). Some assessments combined limiting the scope of rights with a preconceived notion of *typical* human rights impacts from a certain 'business function', in addition to assessing impacts from a limited number of business functions only. Finally, some assessments focus attention to pre-defined issues involving human rights aspects, such as migration, land issues, etc., rather than adopting a rights based approach.

Also GLOBAL CSR is concerned that very large corporations appear to outsource the entire assessment to experts like us. Considering that assessments have to take place in all operational units and with regular intervals such practice will not be sustainable; focus could be oriented towards local capacity development to conduct assessments. Companies need to develop capacity locally empowering local management to take responsibility and ownership of the process.

CSR COMPLIANCE

The basic human rights principles are essential for the dignity, well-being and development of all people. Dignity, well-being and development of people are essential for conducting and expanding business. Thus ensuring respect for human rights is good for business. "Respecting human rights" for business is now defined by having in place a management system that, as a minimum, meets the standards outlined by the UNGPs. In short the UNGPs enable all businesses to *know* their potential and actual adverse impacts and to *show* what they are doing to address such impacts.

All companies regardless of where they operate will have both potential and actual adverse human rights impacts. Additionally, all companies have experiences managing such impacts; e.g. in our efforts to create safe and healthy working conditions. We are now expected to identify potential and actual impacts, and what we do to manage such impacts, in relation to *all* human rights; not just the right to safe and healthy working conditions.

In 2013 GLOBAL CSR wrote and published "Human Rights Explained – for business". The Danish Export Credit Agency

became the first customer of this essential product, purchasing 100 copies for distribution to its customers that over the coming years will use the book to understand and appreciate the meaning of the 48 human rights that all businesses are expected to assess impacts upon.

GLOBAL CSR also implements the UNGPs. We have embedded a commitment to respect all human rights throughout our organization, and we continuously work with our customers and other relationships to enable them to do the same. We did not cause or contribute to any severe adverse impacts in 2013. We are, however, advising some of the largest companies in the world. Thus, we are directly linked to considerable potential and actual adverse impacts on human rights. We are using our leverage as advisors to establish solid systems implementing the UNGPs, and whenever we identify severe human rights impacts through our work or such impacts are otherwise brought to our knowledge, we provide confidential advice addressing such impacts. Our legal privilege enables us to keep such information confidential and our legal ethical commitments require us not to report about concrete impacts.

In addition we have identified a range of less severe, yet important, potential and actual adverse human rights impacts and are taking action to prevent and mitigate such

adverse impacts; where we do not fully prevent adverse impacts from occurring, realising we ensure access to remedy for the persons impacted.

This COP serves to communicate highlights about this ongoing work.



Policy Commitment

In all our activities we seek to identify potential and actual adverse impacts on all 48 human rights included in the International Bill of Human Rights. In addition we continuously seek to influence our relationships, primarily our clients, to respect human rights as well. Whenever actual adverse impacts are identified in our value chains, where we did not cause or contribute to such impacts, we intend to use our leverage to make the party or parties that

are causing or contributing to such impacts act in accordance with the UNGPs.

Our commitment to human rights is evident throughout the organisation. However, in 2013, following our identification process, we developed a formal Human Rights Commitment that is to be approved by our board in 2014. We are specialized in business and human rights and all employees, from CEO to project assistants are passionate about creating shared value and spreading knowledge of and respect for human rights. On a daily basis we communicate to our employees and assist business relations on how to respect human rights in alignment with the UNGPs.

The new publication [*Human Rights Explained - for business*](#) provides an accessible way to understand the 48 human rights from the International Bill of Human Rights in a business context. The publication aided the less experienced employees in acknowledging their rights and how they may be impacted. Furthermore we made our commitment clearer throughout our organisation in 2013, by using tools created for clients. We will continue this work in 2014.

Our strategic CSR focus is contributing to the realization of 'right to education'. Innovation and cutting edge knowledge characterises our business and the competences of our

staff; thus our best and most logical choice when contributing to fulfilling the objective of social sustainability is by focussing our proactive engagement on the 'right to education' – primarily in cost-effective capacity development of stakeholders; from students and peers to executives.

In accordance with our 2012 targets for GLOBAL CSR's internal compliance activities, we have assessed our employee manual, standard project assistants' contract, and the standard contract for permanent employees against all 48 human rights in 2013. In this process we identified conditions and requirements that could lead to adverse impacts if not properly administered. In order to create greater clarity for employees these terms will be clarified in order to prevent adverse impacts in the future. The analysis also revealed adequate procedures and needed measures for enhancing the implementation of our responsibility to respect.

Examples on findings from our assessment are presented in the next column.

Further elaboration on the implementation of processes to prevent/mitigate adverse impacts on health, in particular stress and other mental health issues

A priority area is employee wellbeing, yet the employee handbook/contracts do not adequately advise employees how to raise concerns about this; e.g. ensuring that psychological well-being can be raised and acknowledged as an adverse impact on the right to safe and healthy working conditions, while ensuring that we best possibly avoid adverse impacts on the right to privacy. We may consider identifying external resources that could assist employees in dealing with such challenges.

In 2014 GLOBAL CSR will clarify how best to deal with such potential adverse impacts in light of our financial capabilities.

Due Diligence Process

The first step of the due diligence process is identification of potential and actual adverse impacts. In 2013 we involved all of our employees in the identification process; not least in terms of informing GLOBAL CSR where employees would experience potential or actual adverse impacts on their rights arising from our actions or omissions. The Human Rights Impact Assessment was based on the **48** distinct human rights referenced by the International Bill of Human Rights following some training of new employees on the understanding of the rights. The list below provides for an overview of adverse impacts identified by our employees.

- 2. Right to non-discrimination
- 3. Right to work
- 4.a Right to equal pay for equal work
- 4.b Right to a living wage
- 4.c Right to safe and healthy working conditions
- 4.d Right to equal opportunities for everyone to be promoted
- 4.e Right to rest, leisure, and paid holidays
- 5. Right to form and join trade unions and the right to strike
- 6. Right to social security, including social insurance
- 7.a Right to protection of mothers before and after childbirth
- 7.b Right to children's and young people's protection from exploitation
- 8.a Right to adequate food and its fair distribution
- 8.b Right to adequate clothing
- 9. Right to health
- 11.a Right to take part in cultural life
- 11.b Right to benefit from scientific progress
- 11.c Right to material gains from inventions
- 11.d Moral rights of authors
- 12. Right to life
- 23. Right to privacy
- 24. Right to freedom of thought, conscience and religion
- 25.a Right to freedom of opinion
- 25.b Right to freedom of expression
- 29. Right to protection of the family and the right to marry
- 31. Right to participate in public affairs

GLOBAL CSR conducted our Human Rights Impact Assessment by engaging the employees while accommodating the UNGPs criteria of meaningful participation of the potentially affected stakeholders in identifying adverse impacts. The Assessment also served to further develop employees' capacities on the UNGPs and human rights. Where potential adverse impacts were identified employees were asked to present ideas for addressing such impacts effectively.

Example of an identified potential adverse impact and measures for prevention and mitigation

We identified a potential adverse impact in relation to the right to safe and healthy working conditions. Using the **KnowShow™** tool a respondent reported that *"being a consultancy automatically poses a risk of adverse impacts on health since the environment can be stressful."* 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 subject, make the work as a consultant challenging. GLOBAL CSR is well aware of our sector challenges and in 2013 we improved our focus on causes of stress, and general employee satisfaction. Our strategic focus on the right to education where we have scaled up our course activities also helps create a more stable income thus minimising uncertainty for our employees. In 2014, this issue remains on our agenda.

Nevertheless the increased course activity also means that employees are regularly positioned as 'leaders' in a group. In the occurrence of an emergency being able to provide first aid is a necessity to minimise physical and psychological damage. In order to prevent and mitigate adverse impacts on the right to health and the right to life, all employees – from CEO to project assistants - took part in a two-day intensive course on the provision of first aid during work hours in 2013.

Further examples of measures for prevention and mitigation of adverse impacts on the right to safe and healthy working conditions include the purchase of siesta beds for the office, and the implementation of walking meetings as an alternative to sitting around a table.

The exercise of collecting identifications was performed by using GLOBAL CSR's own Human Rights Impact Assessment App; **KnowShow™**. Being fully aligned with the UNGPs, **KnowShow™** provides a tool to conduct Human Rights Impact Assessments across the organisation. **KnowShow™** offers a platform to collect, organise and process reported data from the informants holding the tablets. The exercise was introduced at a regular staff meeting and employees were given information on how to use the app along with 10 days to respond during work-hours. All of GLOBAL CSR's info@global-csr.com employees were guided through the identification of potential and actual adverse impacts on the full range of human rights. Through this exercise we identified 25 potential and actual adverse impacts. Furthermore the exercise enabled us to recognise that we could do better in guiding our employees on the difference between actual and potential adverse impacts. In order to simultaneously increase the employees' understanding of the terminology of impact assessments while actively working to prevent and mitigate adverse impacts, GLOBAL CSR will focus on developing a thorough due diligence process in 2014. An element of this process will be to conduct regular internal mini-seminars, each focusing on one of the identified adverse impacts, and engaging with employees in a dialogue on how to prevent and mitigate

impacts. In the following we will provide a few examples of the potential adverse impacts that were identified. All employees were invited to see all identified impacts. Through the examples we will elaborate on how we are preventing and mitigating the potential adverse impacts before they emerge as actual grievances.

Example of an identified potential adverse impact and measures for prevention and mitigation

Being headquartered in Denmark represents a potential adverse impact on the right to non-discrimination; it is a fair assumption that the Danish society has little focus on raising awareness on discrimination and societal patterns that uphold stereotypes and prejudices. The identification pointed to potential adverse impacts on the right to non-discrimination – related to gender.

GLOBAL CSR is an equal opportunity workplace that values diversity. In order to prevent and mitigate this potential adverse impact GLOBAL CSR trains employees, promotes diversity and seeks to best share the knowledge of our senior advisor in the field; the leading specialist in Denmark on structural discrimination. Gender balance among shortlisted candidates, is a criteria in our recruitment process. Furthermore we believe that dialogue regarding sensitive issues is essential in order to become aware of, and be able to prevent, discrimination. We work actively to uphold an open environment where employees feel comfortable discussing discrimination; and to ensure that our clients are aware of the potential risks.

In 2013 we increased our focus on gender balance in our board and welcomed a new female board member. We will continue to provide opportunities for career coaching to our advisers in order to enhance their possibilities for advancing their careers.

Development of practises in regards to use of social media

Another finding from the assessment concerned balancing the right to privacy, freedom of opinion and freedom of expression with employees' representing the GLOBAL CSR brand outside of the office and using personal social media (Facebook, LinkedIn etc.) for work purposes. This is also important for striking a work-life balance. The review made it clear that we need to establish a practice and guidance on what management can anticipate from employees in relation to their use of social media; during office hours and spare time. For instance we need to deal with scenarios where employees may be asked to use their private social media profiles for commercial benefit of the firm, or not to post certain information. This issue constitutes another priority area for GLOBAL CSR to develop a policy on.

In 2014 we will strive to further develop grievance mechanisms and transparent information channels in order to facilitate an ongoing interaction regarding business-related human rights impacts. A possible improvement could be achieved by a formal representation of employees at the advisory board level.

An example of a grievance mechanism

Project Assistants at GLOBAL CSR have a contact person to confide in and help them develop during their internship. Assistants are encouraged to contact their contact person whenever needed and in addition we formalise such possibilities for grievance by arranging regular meetings with the assistants throughout their internship. In addition, all employees are encouraged to raise grievances or potential impacts with I can't see the rest... management.

Remediation

In 2013 GLOBAL CSR experienced no legal or professional conduct actions. In relation to our employees the assessment has enabled us to focus discussions and to solicit for better solutions through our regular meetings among employees; it has helped to prioritise time and improved the confidence to express grievances or observations that management should consider in enabling a dynamic and constructive workplace.

BEYOND CSR COMPLIANCE

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. It is also important for us to share our knowledge; support 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 of social sustainability, which we promote through our know-how and products are: (i) The right to education and (ii) freedom of information.

“Our primary contribution to social sustainability is through the actions of the clients we advise”

As a consultancy firm we assist corporations that are both experienced within the field of CSR as well as corporations that have only just begun working on their societal impacts in a structured manner. 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, downstream

(distribution) and in investments. By assisting our clients to strategically focus contributions, while complying with the globally agreed upon minimum for social sustainability, we ensure that CSR efforts optimise shared value in the best way possible. We are experts in identifying both CSR challenges and opportunities through direct application of the universally agreed upon principles for sustainable development.

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. In 2013 these efforts included both compensated and pro bono work for organisations such as the UN Working Group on Business and Human Rights, the United Nations Global Compact (UNGC), the Global Business Initiative on Human Rights, the Institute for Business & Human Rights, CSR Europe, AIM Progress, the Danish Industrialisation Fund for Developing Countries, the Danish Government Centre for CSR, and a range of civil society organisations.

Our greatest contribution in regard to time consumption in 2013 was lead authoring the guide for civil society on how best to use the UNGPs to address adverse impacts on human rights in collaboration with any business linked to

the impacts. The guide “Constructive Campaigning” was pre-launched at the II Annual Forum for Business and Human Rights in Geneva. The guide was written for the International Commission of Jurists, Danish Section, and Reprieve, with support from the Dreyer Foundation in funding printing and illustrations.

Capacity development on UNGPs and human rights

One of the greatest challenges ahead in globally scaling up the responsibility to respect human rights among businesses is awareness and capacity development. Because of our competencies and position in the field, we recognise the important role GLOBAL CSR can play in addressing this global challenge.

The greatest global challenge in implementing the UNGPs

“Limited capacity is a far greater obstacle to rapid progress in business and human rights than we tend to acknowledge; it’s much easier to blame someone. Limited capacity affects the ability of all stakeholder groups, including governments, businesses, NGOs and the UN system to play their necessary roles.”

John Ruggie, December 4th, 2012, UN Forum, Geneva

In 2013 GLOBAL CSR gave presentations at numerous national as well as international seminars, workshop, trainings and debates on CSR with a special emphasis on building capacity and awareness on the UNGPs. In addition GLOBAL CSR invested heavily in developing new tools for businesses:

- GLOBAL CSR has concentrated its resources on capacity development and training in the UNGPs and human rights; targeting government representatives, civil society, academia, corporations, and CSR experts. During 2013 we informed and trained more than 400 individuals in the UNGPs, including 100 client representatives that received in-depth training.
- GLOBAL CSR’s e-learning platform, learnCSR has received great feedback and through 2013 it consolidated itself as a popular tool for its ability to train many persons in an effective, flexible and cost-efficient manner. In 2013 we developed a new module on human rights in a business context, *Human Rights Explained*. This new module allows users to develop an understanding of the 48 specific human rights from the International Bill of Human Rights. Developed with business in mind, users are enabled to identify business

impacts on each human right through a mixture of learning resources, business scenarios, and testing probes. The tool can be accessed at www.learncsr.com.

- In collaboration with the International Marine Purchasing Association, GLOBAL CSR has developed and launched the IMPA ACT; the world's first UNGPs based initiative on Responsible Supply Chain Management.
- In 2013, GLOBAL CSR also revised the CSR Compass for the Danish Government – a simple tool for Danish SMEs offering practical guidance on how to conduct responsible supply chain management; now in alignment with the UNGPs.
- At the second UN Forum on Business and Human Right in Geneva December 2013, GLOBAL CSR was proud to launch our new booklet, *Human Rights Explained – for business*. The booklet provides employees and managers with basic understanding of all 48 human rights contained in the International Bill of Human Rights. Concrete scenarios on adverse impacts, the application of the UNGPs and positive contributions demonstrate the relevance of all rights in a business context. *Human Rights Explained – for business* is an important tool for

businesses seeking to respect human rights and can be purchased from GLOBAL CSR.

- GLOBAL CSR has developed Self-Assessment Tools based on the UNGPs. One tool enables business to assess processes needed to implement and ensure compliance with the UNGPs. The second is used for the concrete local operation to assess impacts in light of each human right. These tools are designed for internal use in companies or in collaboration with corporate relationships. Furthermore the tools are used in our two basic UNGPs courses – 'CSR Compliance Lab' and 'Human Rights Explained'.
- Additionally GLOBAL CSR spent 2013 developing the world's first Human Rights Impact Assessment App. **KnowShow™** provides for an empowering, solid and scalable identification process and software for tracking subsequent management of adverse impacts.

GLOBAL CSR regularly participates in 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, the UNGPs and CSR. We devote time to engage in debates as we believe this brings added value to our clients and to society.

Thus continuing to promote social sustainability and in particular the UNGPs is an ongoing objective for GLOBAL CSR and an area where we can make a difference.

Turning adverse impacts into opportunities

A known country risk in Denmark is the right to non-discrimination. Since GLOBAL CSR is based in Copenhagen this country risk becomes a potential adverse impact for our company. Turning this obvious risk for potential adverse impacts into an opportunity by working for increased diversity is a focus area at GLOBAL CSR. We believe that diversity enables organisations to improve abilities to innovate. 70 percent of our knowledge is tacit, i.e. resting with our employees. 70 percent 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 are able to make.

As an example our internship programme develops students' knowledge about applying the principles-based approach to CSR in practice, while GLOBAL CSR benefits from the fresh input and the extended network.

International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights, Preamble.

"...The State Parties to the present Covenant undertake to guarantee that the rights enunciated in the present Covenant will be exercised without discrimination of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status..."

We also recognise that all people are prone to reduce complexity by establishing stereotypes and thus occasionally will act with prejudice. 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.

An example of how GLOBAL CSR seeks to address and promote the right to non-discrimination, identified as a potential adverse impact

- We teach anti-discrimination (direct, in-direct and structural) at universities – all employees are asked to participate
- Several employees participating pro bono in public debates about discrimination in order to create awareness about this particular country risk in the public
- We conduct research on structural discrimination
- We promote a workplace environment where it is encouraged to address stereotypes and prejudices immediately

THE FUTURE CHALLENGES AND WORK WITH SOCIAL SUSTAINABILITY

In 2014 we will continue implementing the UNGPs in the organisation. In our work we are involved in establishing avenues for access to remedy and grievance mechanisms to apply our knowledge regarding such mechanisms internally as well.

In 2013 we achieved full gender balance in our board that reflects diversity on other parameters as well. In our work beyond CSR compliance GLOBAL CSR will continue to address the global challenge of capacity development focused on the UNGPs and human rights both through our services, course activities and our e-learning modules. We will continue to develop and refine tools for companies, organisations and public authorities enabling them to implement the UNGPs and assisting them in respecting human rights.

In particular we will focus our efforts to continue developing and communicating about our approach to responsible supply chain management and responsible investments in alignment with the UNGPs; in addition we will seek to

promote our operationally centred, cost-effective and manageable human rights impact assessments.

In order to avoid the potential adverse impact where employees fear that sharing their views via social media could have consequences for their position - even if expressed outside office hours - we will work on formulating a social media SOP in 2014.

Finally, we will continue to ensure the quality of our activities and tools through use of other external experts in order to secure coherence with best practice working with international principles.

ENVIRONMENTAL SUSTAINABILITY

Companies of every size and type have adverse impacts on the environment through their business operations and activities. When preventing and mitigating our adverse impacts on the environment we address the subject areas covered by UN Global Compact's principles 7-9.

CSR COMPLIANCE

"We aim to minimise our negative environmental impacts and where possible enhance our positive environmental impacts"

Policy

GLOBAL CSR supports and strives to demonstrate environmental responsibility through our work, as well as internally in our business. We aim to minimise our environmental impacts and where possible enhance our positive environmental impacts. Our external contribution to environmental sustainability stems from assisting businesses in minimising their negative environmental impacts on the planet.

Due diligence

We continuously seek to reduce our environmental impacts by always using the most environmentally friendly means of transportation. All executives and employees cycle, use public transportation, or carpool as the predominant means of transportation. When possible we have meetings through video and teleconferences, to minimize our use of air travel. During 2013 we participated in several meetings through teleconferences with clients in Asia, Americas, Europe and Scandinavia. Using online technology to meet with clients brings both economic and environmental benefits and contributes positively to our employees' right to rest and leisure (work-life balance).



Our e-learning platform, learnCSR has allowed us to decrease the environmental impact of our company and our clients even further, since our consultants and course participants can avoid travelling to specific locations to participate in lessons, but can enjoy the latest learning technology and knowledge regarding social sustainability and anti-corruption regardless of time or space. Several thousand employees have already been trained through learnCSR constituting a significant CO₂ abatement.

Nonetheless, being a consultancy that serves clients around the world, we cannot eliminate air travel. Our physical presence is often needed as part of our work. Ensuring high quality service often requires that we perform onsite assessments of clients' operations and branches. Change management and capacity development are essential components of our work and both require interpersonal communication and presence. Examples of GLOBAL CSR's engagements in 2013 that have required physical presence of our experts includes the launch of IMPA ACT at the world's first CSR in shipping conference.

We endeavour to maintain and expand our position as frontrunners in the field of CSR. This requires that we participate in debates to develop the field; which often involves presenting at international conferences. Thus, the

bulk of our CO₂ emissions stems from international air travel.

In 2013, GLOBAL CSR continued implementing the 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 and using both sides of the paper

Remediation

In 2013, we witnessed an increase in our CO₂ emissions from air-travel. Due to great uptake on the UNGPs globally the demand for face to face training is increasing. Being a consultancy that works with clients on human rights in more than 80 countries makes it difficult to foresee air-travel needs. GLOBAL CSR, however, successfully reduced electricity spending from 2012 to 2013. The increase in the use of paper is directly caused by an increase in course activities.

GLOBAL CSR will collaborate with public authorities and other partners, if we identify any major adverse impacts on the environment. No such events were identified in 2013.

Environmental Impact

	2011	2012	2013
CO2-emissions from air travel in tons	8,37	4,71	7,83
Electricity in KWh	1156	4094	3788
Paper (sheets)	2500	2500	7500

*Our electricity numbers from last year were set lower in previous reports due to a miscalculation. Thus our KWh for 2011 is not, as formerly stated, 1156 but 2832.

BEYOND CSR COMPLIANCE

GLOBAL CSR works to promote environmental protection and efficiency policies with our clients. In 2013, GLOBAL CSR assessed and advised Danish and international clients on 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 2013, we assisted our clients in meeting the growing environmental challenges, requirements and expectations that they face today.

We work in cooperation with strategic partners that are leading experts on environmental sustainability. We have

advised clients to perform environmental impact assessments, life cycle assessments, carbon and water footprint assessments.

In addition, we have participated in seminars and workshops, as well as facilitated and held several seminars and workshops on, for instance, the *cradle to cradle* concept, as part of raising public awareness and meeting the growing need for education on CSR and the business case for being environmentally responsible.

THE FUTURE CHALLENGES AND WORK WITH ENVIRONMENTAL SUSTAINABILITY

It is our goal for 2014 to make a positive contribution to the development of environmentally responsible profiles and practices for businesses as an integrated and strategic way of doing business. In particular we continue to promote aligning environmental bottom-line management systems with the process requirements set forth in the UNGPs.

In the long run, it is GLOBAL CSR's goal to 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.

ECONOMIC SUSTAINABILITY

Corporations seek to incorporate their contributions to sustainable development into their core business strategies, while ensuring that no functions have adverse impacts. Besides focusing on making a profitable business, economic sustainability also means ensuring that we do not have negative impacts on the economy in particular in relation to corruption and bribery.

CSR COMPLIANCE

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

Policy commitment

GLOBAL CSR has a zero tolerance stance on bribery and corruption in the business and in relations with our clients and partners. In line with principal 10, we work against corruption in all its forms, including extortion, and facilitation payments. We are committed to complying with internationally recognised principles, such as the UN Convention referenced by the Global Compact principle 10, as well as local and extraterritorial anti-corruption and bribery laws.

Due diligence

GLOBAL CSR is a value based company and we are proactive in encouraging positive norms and values amongst our employees and business relations. We are also a financially transparent company and seek to foster an open and transparent culture internally in the organisation. In addition to having an external accountant, we communicate about our budget internally amongst all employees. We consider these practices to be proportionate to our size and the risks that the company faces.

We are aware that we run higher risks when operating abroad in markets where bribery is commonplace, compared to Denmark. Thus we are diligent in communicating our values as the basis for doing business; and making sure to build business relationships based on trust and common understanding.



An example of an actual adverse impact on economic sustainability

In 2012 we experienced an actual adverse impact when the CEO hired his daughter as project assistant, circumventing agreed recruitment procedures and constituting an adverse impact on the prohibition of nepotism, a feature under corruption.

As a family owned business and appreciating that the new project assistant possesses skills essential to our work, the decision was discussed with, and accepted by, all employees. In addition the new project assistant was informed that her relationship to the owners would not change her opportunities or the expectations to her work deliveries.

The employment was completed 2013.

Remediation

The risks of being involved with corruption and bribery vary from one business culture to the next. GLOBAL CSR has developed two e-learning modules on anti-corruption, '[Anti-corruption for employees](#)' and '[Anti-corruption for managers](#)'; as a tool to build capacity with businesses and employees in achieving a corruption free business environment.

BEYOND CSR COMPLIANCE

Whereas corporate economic responsibility initiatives need only address the international principles on anti-corruption, we also advise our clients in relation to good corporate governance and the up-coming issue of sustainable tax payments.

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.

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 do, however, experience that businesses, governments and organisations increasingly realise the importance of, and opportunities in, addressing CSR diligently.

Especially with the unanimous endorsement of the UN Guiding Principles, we witnessed great interest in our competences from businesses, governments, organisations and sectors initiatives. The increase of CSR initiatives in the private and the public sector appear to be on the increase in

2014 leading to greater financial results for our business as well as for social, environmental and economic sustainability. The impacts of GLOBAL CSR on sustainable development are best measured through the actions and results of our clients.

In 2012 GLOBAL CSR formed an initiative providing for learning and advisory services to Small and Medium sized Enterprises (SMEs). The initiative provides participants with the opportunity to enjoy the benefits of CSR, while creating a forum to share experiences and promote efforts. The initiative supports the Danish Government's goal (from the action plan 2012) to promote CSR among SMEs. In addition it corresponds with the guide for SMEs that we finished for the EU Commission in 2012 and in general the Commission's priorities. We have received feedback that the guide throughout 2013 has contributed considerably to making CSR initiatives practicable also among SMEs.

THE FUTURE CHALLENGES AND WORK WITH ECONOMIC SUSTAINABILITY

GLOBAL CSR intends to continue to participate in and contribute to both national and international debates on the establishment of viable international principles for business to apply when planning and executing tax payments for international operations.

Also GLOBAL CSR continues to develop practical solutions for applying the UN Guiding Principles (UNGPs) in Socially Responsible Investments (SRI). The UNGPs provide a standardised reference point, thus reducing costs for investors while contributing to scaling up the responsibility to respect human rights.

'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.