

## 2016 Corporate Social Responsibility Report



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## SAGE FROM THE CEO

*Our purpose is to promote sustainable development. 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. Our Principles-Based Approach to CSR enables us to address impacts in areas essential to sustainable social, environmental and economic development. The management system designed by the UN Guiding Principles from 2011 provides for cost-efficient approaches to manage adverse impacts on the internationally agreed principles. We intend to maintain our leadership position in the field ensuring that fulfilling our purpose is also profitable.*

It is my pleasure to present our 6th Corporate Social Responsibility (CSR) report on our efforts during 2016. GLOBAL CSR was established as a consultancy in 1996. As the first professional advisors on CSR worldwide we are able to optimise the social, environmental and economic aspects of our business. The report describes our top issues for action and provides information on our

performance in 2016. The report also includes our outlook for the future.

It is important to GLOBAL CSR that we continue to contribute to, whilst managing adverse impacts on the internationally agreed principles for sustainable development, environmental and economic development. We continue to support the UN Global Compact using the UN Guiding Principles on Business and Human Rights (UNGPs) as a framework and the Guidelines to provide for a consistent and transparent approach for managing adverse CSR impacts. We acknowledge the importance of the UN Global Compact in strengthening the international principles for sustainable development in business and of the UNGPs in establishing the minimum required practice in – or the minimum standard for –

To put the principles into practice, we rely on the enthusiasm, creativity and inspiration of our clients, associations and relationships inspiring businesses to adopt strategies for sustainable development.

**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 providing sustainable solutions for private companies, public authorities and organisations in a range of countries and industries. Since 1996, GLOBAL CSR has carried out projects in all parts of the world.

GLOBAL CSR is recognised as leading experts on the interpretation of the UN Guiding Principles on Business and Human Rights (UNGPs), referencing the International Bill of Human Rights, as the basis of CSR activities in relation to human sustainability.

Humanity is pivotal to the way we do business. We offer advice and guidance towards long term sustainable solutions for our clients and society. Furthermore we only support CSR initiatives that genuinely manage their adverse impacts on human 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.

We have more than 20 years of practice in CSR and have advised many of the leading corporations in the world on CSR.

Our goal is to continue to develop innovative and effective solutions and tools to address impact on sustainability, enabling our customers to fully benefit from their investments in CSR. Our primary goal in these years is to leverage best practices in meeting the globally agreed minimum standard for managing adverse impact on sustainability – i.e. the UNGPs.

GLOBAL CSR has experience working with the full CSR implementation from pre-assessment, strategy development, assessments, risk & opportunity analyses, vision statements, policies (policy commitment), implementation, project design, action plans, implementation (prevention, mitigation and remediation), responsible sourcing, responsible investments, responsible distribution and accounting (both on the ground in

g performance and communicating and annual ng). In addition, our team has vast experience in ting both corporate and public programmes.

mprehensive understanding of business realities in ectors and for all sizes of businesses allows us to fully s the needs and wishes of our clients.

## VISION

vision a world of social, environmental and economic ance and sustainability; in which all human beings he full realisation of their human rights in appreciation - diversity. A world where businesses live by principles ial to co-creating a brighter future for our planet, for ity – and for economic development.

## MISSION

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

GLOBAL CSR will run a profitable business by:

- Performing work for sustainable development b the Triple Bottom Line: social, environmen economic sustainability.
- Inspiring and assisting corporations, governme organisations in developing and implementing C thereby creating shared value qualified by inter principles.
- Maintaining high professional integrity while de innovative, cost-effective and simple solutions create value for our customers.

## IAL SUSTAINABILITY

ie UN Guiding Principles on Business and Human Rights  
s) endorsed in June 2011, the world's businesses  
d an authoritative globally recognized reference point  
pecting human rights, including the core labour rights.

NGPs describe what should be expected from any  
ss in the world in terms of managing adverse impacts  
nan rights, i.e. the rights that are also referenced in  
it 6 principles of the UN Global Compact.

ommunication on Progress (COP) demonstrates how  
L CSR implements the UNGPs, thus ensuring respect  
nan rights in the organisation. We hope to inspire other  
sses that are about to do the same.

tion we will outline where we work beyond compliance,  
uting to fulfilling specific human rights principles.

### New Practices on Human Rights Impact Assessment

With the UNGPs, new practices around Human Rights Im  
Assessments need to be developed. To our knowledge no pre-2  
practices or tools were aligned with the UNGPs. GLOBAL CSR  
conducted extensive research in the area since 1996. The UN  
require companies to assess impacts on all 48 human rights from  
International Bill of Human Rights (UNGP 12). When conducting  
Assessment on all 48 rights in all business units, we are expecte  
engage – as a minimum – with affected stakeholders (UNGP  
GLOBAL CSR reviewed the few publicly available assessments  
appears that companies seek to meet the new requirements  
applying pre-2011 approaches. As an example, some assessm  
seek to predetermine the scope to a few human rights only (typic  
including impacts on 8-12 human rights). Some assessm  
combined limiting the scope of rights with a preconceived notio  
*typical* human rights impacts from a certain 'business function'  
addition to assessing impacts from a limited number of busin  
functions only. Finally, some assessments focus attention to p  
defined issues involving human rights aspects, such as migration, I  
issues, etc., rather than adopting a rights based approach.

Also GLOBAL CSR is concerned that very large corporations appea  
outsource the entire assessment to experts like us. Considering  
assessments have to take place in all operational units and  
regular intervals such practice will not be sustainable; focus shoul  
oriented towards local capacity development to conduct assessme  
Companies need to develop capacity locally, empowering l  
management to take responsibility and ownership of the process  
support this purpose, GLOBAL CSR developed a Human Rights Im  
Assesment tool in 2014 that companies can use to conc  
assessments of their own and this year we went further by developi  
a new Human Rights Due Diligence (HRDD) tool. The tool i  
launched March 2016. Thus, local capacity can be developed using  
tool ensuring sustainability in corporate practices. [www.csrCloud.com](http://www.csrCloud.com)

## COMPLIANCE

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 growing business. Ensuring respect for human rights is essential for business. 'Respecting human rights' for business is defined by having in place a management system that, at a minimum, meets the standards outlined by the UNGPs. 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. Naturally, all companies have experiences managing such impacts; e.g. efforts to create safe and healthy working conditions. We are now expected to identify potential and actual impacts, and show what we do to manage such impacts - this in relation to *all* human rights; not just the right to safe and healthy working conditions.

In 2014 -2016 GLOBAL CSR created the Human Rights Impact Assessment (HRIA) tool based on the feedback received by our clients using the tool. The tool was launched

in 2016 and will be a step towards more companies meeting the process requirements in the UNGPs.

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 the same. We did not cause or contribute to any adverse impacts in 2016.

We are advising several large companies around the world. Thus, we are directly linked to severe potential and actual adverse impacts on human rights. We are using our legal advisors to establish solid systems implement the UNGPs, and whenever we identify severe human rights impacts through our work or such impacts are otherwise brought to our knowledge, we provide – confidentially – advice on addressing such impacts. Our legal privilege, as retained counsel/attorney, enables us to keep such information confidential.

In addition we have identified less severe potential adverse impacts on 25 human rights – of 48 human rights - and we will take action to prevent and mitigate such adverse impacts.

## Commitment

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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 suppliers, to respect human rights as well.

Whenever actual adverse impacts are identified in our value chain, we act to address them, even where we did not cause or contribute to such impacts, and to use our leverage to make the party or parties responsible for causing or contributing to such impacts act in accordance with the UNGPs.

Our commitment to human rights is evident throughout the company's operations. 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 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 is now used in all of our client relations and meetings to enhance their general understanding of the full range of human rights that need to be addressed when implementing the UNGPs.

## Due Diligence Process

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The first step of the due diligence process is identifying potential and actual adverse impacts. We continue to develop our dialogue with all our employees and our clients to enhance the identification process. The list below provides for an overview of rights where potential adverse impacts were identified in our firm.

- 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 goods 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 family and the right to found a family
- 31. Right to participate in public affairs



L CSR regularly conducts Human Rights Impact assessments engaging our employees while accommodating UNGPs criteria of meaningful participation of the affected stakeholders in identifying adverse impacts. The Assessments also serve as a way to further develop employees' capacities on the UNGPs and human rights. Where potential adverse impacts are identified, employees are asked to present ideas for addressing such impacts effectively.

The exercise of identifying and assessing was executed using L CSR's own Human Rights Due Diligence tool – [srCloud.com](https://www.srcloud.com). Fully aligned with the UNGPs, the tool allows us to conduct and update our Human Rights Impact assessments across the organisation. The identified potential adverse impacts on 25 different human rights are continuously addressed and we measure the effectiveness of our efforts. We have not received complaints on adverse impacts in 2016.

## Remediation

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In 2016 GLOBAL CSR experienced no legal or professional conduct actions.

## BEYOND CSR COMPLIANCE

We recognise that knowledge is our primary resource. The success of our business depends on our knowledge, competencies and our abilities to communicate and share knowledge. It is important for GLOBAL CSR to continue to improve our competencies on CSR and social development in theory as well as in practice. It is important for us to share our knowledge; support the development of the CSR field to find better, more efficient and innovative ways to address global challenges in relation to social sustainability. Two key principles of social sustainability, which we promote through our knowledge products are: (i) The right to education and (ii) freedom of information.

***"Our primary contribution to social sustainability is achieved through the actions of the clients we advise"***

As a consultancy firm we assist corporations that are experienced within the field of CSR as well as corporations that have only just begun addressing their societal

structured manner. Our services also span across  
s, both when we provide services to international  
ations.

lvice clients to address CSR in all their business  
rs; both in supply chains, downstream (distribution)  
investments. By assisting our clients to strategically  
ontributions, while complying with the globally agreed  
um standard for social sustainability, we ensure that  
forts optimise shared value in the best way possible.  
e experts in identifying both CSR challenges and  
unities through direct application of the globally agreed  
les for sustainable development.

effort to contribute to sustainable development, we  
our knowledge by advising organisations and initiatives  
e key players in the continued development of CSR

### ity development on UNGPs and human rights

the greatest challenges ahead in globally scaling up  
ponsibility to respect human rights among businesses  
s to be awareness and capacity development. Because  
competencies and position in the field, we recognise  
portant role GLOBAL CSR can play in addressing this  
challenge.

#### The greatest global challenge in implementing the UN

*"Limited capacity is a far greater obstacle to rapid progress in business and human rights than we tend to acknowledge. It is 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 respective roles."* **John Ruggie, December 4<sup>th</sup>, 2012, UN Forum, Geneva**

In 2016 GLOBAL CSR gave presentations at national as well as international seminars, workshops, trainings and debates on CSR with a special emphasis on developing capacity and awareness on the UNGPs. In 2017, GLOBAL CSR continues to invest and focus heavily on developing tools for businesses:

- GLOBAL CSR has concentrated its resources on developing and training in the UNGPs and human rights. While targeting corporations, we also engage governments, civil society, academia and CSR experts. During 2016, we informed and trained more than 500 individuals on the UNGPs, including approx. 60 corporate representatives who received in-depth training.
- The guide "Constructive Campaigning" continues to provide information to clients and is used within the

community, who also contribute by distributing the guide to help spread our message further.

GLOBAL CSR's e-learning platform, learnCSR has continued to receive great feedback and has in 2016 been a popular tool for its ability to train many people in an active, flexible and cost-efficient manner; see [www.learncsr.com](http://www.learncsr.com).

GLOBAL CSR continues to promote and sell our 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 in 2014-2016 developed an online Human Rights Impact Assessment Tool. The tool enables business to assess own adverse impacts on human rights to manage its business relationships; e.g. suppliers. in collaboration with corporate relationships. See [www.csrCloud.com](http://www.csrCloud.com).

GLOBAL CSR continues to offer its three capacity building one day workshops: 'UNGPs Compliance Lab',

'Human Rights Impact Assessment Lab' and 'Future alignment with the UNGPs'.

GLOBAL CSR regularly participates in public debates on business and human rights and the principle-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 continue to devote time to engage in debates as we believe this adds 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.

## ENVIRONMENTAL SUSTAINABILITY

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

### COMPLIANCE

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

LEAP CSR supports and strives to demonstrate environmental responsibility through our work, as well as actively 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

### Due diligence

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We continuously seek to reduce our environmental impact by always using the most environmentally friendly means of transportation. All executives and employees cycle, use public transportation, or carpool as the predominant mode of transportation. When possible we have meetings via video and teleconferences, to minimize our use of air

Our e-learning platform, **learnCSR** has allowed us to decrease the environmental impact of our company training clients even further, since our consultants and participants can avoid travelling to specific locations to participate in lessons, but can enjoy the latest 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 CO<sub>2</sub> abatement.

Nonetheless, being a consultancy that serves clients all over the world, we cannot eliminate air travel. Our physical presence is often needed as part of our work. Ensuring a quality service often requires that we perform on-site assessments of clients' operations and branches. Client management and capacity development are essential

nents of our work and both require interpersonal communication and presence.

endeavour to maintain and expand our position as leaders in the field of CSR. This requires that we participate in debates to develop the field; which often is presenting at international conferences. Thus, the majority of our CO<sub>2</sub> emissions stems from international air travel.

## Stakeholder Interaction

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GLOBAL CSR will collaborate with public authorities and other stakeholders, if we identify any major adverse impacts on the environment. No such events were identified in 2016.

## ENVIRONMENTAL AND CSR COMPLIANCE

GLOBAL CSR works to promote environmental sustainability for our clients. In 2016, GLOBAL CSR assessed and advised all Danish and international clients on principles 7-9 of IGC 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 2016, we assisted our clients in meeting the environmental challenges, requirements and expectations that they face today.

We work in cooperation with strategic partners and leading experts on environmental sustainability. We have advised clients to perform environmental assessments, life cycle assessments, carbon and 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* and *circular economy* concepts, 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 ON ENVIRONMENTAL SUSTAINABILITY

It is our goal for 2017 -2018 to expand our Human Rights Due Diligence tool to include both environmental and economic sustainability. .

## ECONOMIC SUSTAINABILITY

ations seek to incorporate their contributions to sustainable development into their core business strategies, ensuring that no functions have adverse impacts. Besides going 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.

## COMPLIANCE

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

### **commitment**

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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 UN Global Compact principle 10, we work against corruption in all its forms, including bribery, kickbacks, and facilitation payments. We are committed to the definitions from internationally recognised instruments, such as the UN Convention referenced by the Global Compact principle 10.

### **Due diligence**

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GLOBAL CSR is a value based company and we are proud to be in encouraging positive norms and values among our employees and business relations. We are also a firm and transparent company and seek to foster an open and transparent culture internally in the organisation. In addition to having an external accountant, we communicate all financial data and budget internally amongst all employees. We consider our anti-bribery practices to be proportionate to our size and the risks we face in the company faces.

We are aware that we run higher risks when operating 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 our business relationships are based on trust and mutual understanding.

ks of being involved with corruption and bribery vary ne business culture to the next. GLOBAL CSR has ped two e-learning modules on anti-corruption, '[Anti-:ion for employees](#)' and '[Anti-corruption for managers](#)'; ol to build capacity with businesses and employees in ng a corruption free business environment; see [arnCSR.com](#).

## ND CSR COMPLIANCE

as corporate economic responsibility initiatives need ddress the international principles on anti-corruption, o advise our clients in relation to good corporate ance and the up-coming issue of sustainable tax nts.

h our work we contribute to the elimination of :ion, as we advise clients on corporate economic sibilities and opportunities. In cooperation with our ic partners we help our clients implement the 10th le of the UNGC strategically into their businesses.

## THE FUTURE CHALLENGES AND WORK ECONOMIC SUSTAINABILITY

GLOBAL CSR intends to continue to participate contribute to both national and international debate: establishment of viable international principles for l to apply when planning and executing tax paym: international operations.

Also GLOBAL CSR continues to develop practical solu applying the UN Guiding Principles (UNGPs) in Responsible Investments (SRI). The UNGPs pr standardised reference point, thus reducing cc investors while contributing to scaling up the c: responsibility to respect human rights.

*'Our contribution' is published in English only and permanently available for download on [unglobalcompact](#) feedback or further information, please contact us at [info](#) [csr.com](#) or +45 44 99 55 06.*