

2017 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. The management system designed by the UN Guiding Principles from 2011 provides for cost-efficient and scalable 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 7th Corporate Social Responsibility (CSR) report on our efforts during 2017. GLOBAL CSR was established as a consultancy in 1998. 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 2017. The report also includes our objectives for the future.

It is important to GLOBAL CSR that we continuously contribute to, whilst managing adverse impacts on, internationally agreed principles for sustainable social, environmental and economic development. We continue to use the UN Global Compact (UNGC) framework, the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines to provide for a consistent and transparent system for managing adverse CSR impacts. We seek to influence the UNGC to maintain focus on the minimum standard as an essential part UNGC's efforts to promote the Sustainable Development Goals (SDGs). Whereas the latter goals are important, however, they cannot be used for holding businesses accountable.

To put the principles into practice, we rely on the enthusiasm, creativity and inspiration of our clients, associates and relationships inspiring other businesses to implement the UNGPs / OECD Guidelines in a practical and pragmatic manner.

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 1998, GLOBAL CSR has carried out assignments in all parts of the world.

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

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 that genuinely manage their adverse impacts on 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 cost-effective solutions and tools to address impacts 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 social sustainability – i.e. the UNGPs.

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

tracking performance and communicating and annual reporting). 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, for humanity – and 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 responsible business conduct 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 endorsed in June 2011, the world's businesses received 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 that 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 1998. The UNGPs require companies to assess impacts on all 48 human rights from the International Bill of Human Rights (UNGP 12). When conducting the assessment on all 48 rights in all business units, we are expected to engage – as a minimum – with affected stakeholders (UNGP 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 labour rights, thereby addressing impacts on max. 8-12 human rights). Some assessments combine 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 should 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. To support this purpose, GLOBAL CSR developed a Human Rights Impact Assessment tool in 2014 that companies can use to conduct assessments of their own and this year we went further by developing a new Human Rights Due Diligence (HRDD) tool. The updated version of the tool will be launched in 2018. Thus, local capacity can be developed using this tool ensuring sustainability in corporate practices. www.csrCloud.com

CSR COMPLIANCE

Basic human rights principles are essential for the dignity, well-being and development of all people, which are essential for conducting and expanding business. 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 standard 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. 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.

During 2014-2017 GLOBAL CSR created the Human Rights Impact Assessment (HRIA) tool based on the feedback provided 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 them to do the same. We did not cause or contribute to any severe adverse impacts in 2017.

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 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, as registered 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 - where we take action to prevent and mitigate such adverse impacts.

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. 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 book is now used in all of our client relations and meetings to improve their general understanding of the full range of human rights that need to be addressed when implementing the UNGPs.

Due Diligence Process

The first step of the due diligence process is identification of potential and actual adverse impacts. We are continuously in dialogue with all our employees and our clients for the identification process. The list below provides an overview of rights where potential adverse impacts were identified by 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 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 regularly conducts Human Rights Impact Assessments. This is achieved by engaging our employees while accommodating the UNGPs criteria of meaningful participation of the potentially 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 GLOBAL CSR's own Human Rights Due Diligence tool – www.csrCloud.com. Fully aligned with the UNGPs, the tool enables us to conduct and update our Human Rights Impact Assessments across the organisation. The identified potential and actual 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 2017.

Remediation

In 2017 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 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.

“ We are experts in identifying both challenges and opportunities through direct application of the globally agreed principles for sustainable development.”

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 addressing their societal impacts in a structured manner. Our services also span across borders, when we provide services to international corporations.

We advise clients to address CSR with their business relations; both upstream (supply chain), downstream (distribution) and in investments. By assisting our clients to strategically focus on contributions, while complying with the globally agreed minimum standard for social sustainability, we ensure that CSR efforts optimise shared value in the best way possible. We are experts in identifying both challenges and opportunities through direct application of the globally agreed principles for sustainable development.

In an effort to contribute to sustainable development, we share our knowledge by teaching and by advising organisations and initiatives that are key players in the continued development of CSR.

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

remains to be 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 2017 GLOBAL CSR gave presentations at numerous 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 addition GLOBAL CSR continues to invest and focus heavily on developing tools for businesses:

- GLOBAL CSR has concentrated its resources on capacity development and training in the UNGPs and human rights; while targeting corporations, we also engage government civil society, academia and CSR experts. During 2017, we informed and trained more than 500 individuals in the

UNGPs, including app. 60 corporate representatives that received in-depth training.

- The guide “Constructive Campaigning” continues to provide information to clients and is used within the NGO community, who also contribute by distributing the guide to others to help spread our message further.
- GLOBAL CSR’s e-learning platform, learnCSR, has continued to receive great feedback and has in 2017 been a popular tool for its ability to train many people in an effective, flexible and cost-efficient manner; see 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 2014-2017 developed an online Human Rights Impact Assessment Tool. The tool enables business to assess own adverse impacts on human rights

and to manage its business relationships; e.g. suppliers in collaboration with corporate relationships. See www.csrCloud.com.

- GLOBAL CSR continues to offer its three capacity developing one day workshops: ‘UNGPs Compliance Lab’, ‘Human Rights Impact Assessment Lab’ and ‘Responsible Supply Chain Management Lab’ in alignment with the UNGPs.

GLOBAL CSR regularly participates in public debates on business and human rights and on 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.

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

"All our executives and employees cycle, use public transportation, or carpool as the predominant means of transportation."

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 negative 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 our 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 minimise our use of air travel.

Our e-learning platform, learnCSR has allowed us to decrease the environmental impact of our company and our clients. Our consultants and course participants can avoid travelling to specific locations to participate in lessons, and they 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.

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.

Remediation

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 2017.

BEYOND CSR COMPLIANCE

GLOBAL CSR works to promote environmental sustainability with our clients. In 2017, GLOBAL CSR assessed and advised several 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 2017, 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* 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 WITH ENVIRONMENTAL SUSTAINABILITY

It is our goal for 2018-2019 to expand our Human Rights Due Diligence tool to include both environmental and economic sustainability.

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 particularly in relation to corruption and bribery.

CSR COMPLIANCE

"GLOBAL CSR is a value based company and we are proactive in encouraging positive norms and values amongst our employees and business relations."

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

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.

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 tools to build capacity with businesses and employees in achieving a corruption free business environment; see www.learnCSR.com.

BEYOND CSR COMPLIANCE

Whereas corporate economic responsibility initiatives need only to 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.

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 in Socially Responsible Investments (SRI). We screen companies before investments, and, moreover, we assist corporations that invest in businesses to ensure that their acquired companies meet the minimum standard for responsible business conduct. The UNGPs provide a standardised reference point, thus reducing costs for investors while contributing to scaling up the corporate responsibility to respect human rights.

'Our contribution' is published in English only and will be permanently available for download on unglobalcompact.org. For feedback or further information, please contact us at info@global-csr.net or +45 44 99 55 06.