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GLOBAL CSR
sustainable business consulting

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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, in line with the international minimum standard for responsible business conduct. 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.

It is my pleasure to present our 8th Corporate Social Responsibility (CSR) report. GLOBAL CSR was established as a consultancy in 1998. The report describes our top priorities for action and provides information on our CSR performance in 2018. 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, and 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 hope to influence the UNGC to

maintain focus on the minimum standard as an essential part of UNGC's efforts to promote the Sustainable Development Goals (SDGs). Whereas the latter goals are important, they cannot be used for holding businesses accountable towards humans, the environment or principles for anticorruption.

To put the principles into practice, we rely on the enthusiasm and creativity of our clients, associates and relationships to inspire 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. We are leading in Corporate Social Responsibility (CSR) and 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 expert on the application of the UN Guiding Principles on Business and Human Rights (UNGPs).

Integrity is pivotal to the way we do business. We offer advice that leads to long term sustainable solutions for our customers and the society. We only support CSR activities where adverse impacts on sustainable development are genuinely managed.

Our Work

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

Our goal is to continue developing 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 consists of leveraging best practices in meeting the globally agreed minimum standard for responsible business conduct – i.e. the UNGPs, including as they are repeated in the OECD Guidelines.

GLOBAL CSR has experience working with the full cycle of CSR implementation from policy development impact assessments, risk & opportunity analyses, vision statements, strategies, capacity development, project design, action planning, implementation (prevention, mitigation and remediation), responsible sourcing, responsible investments, responsible distribution and accounting, and annual reporting. Additionally, 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 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 sustainable 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 pragmatic.

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 contributing to sustainable development qualified by international principles.
- Maintaining high professional integrity while delivering innovative, cost-effective and simple solutions, which create value for our customers.

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 a limited scope of rights with a preconceived notion of *typical* human rights impacts from a certain 'business function'. 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.

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 empower local management to take responsibility and ownership of the process.

GENERAL INFORMATION AND PROCEDURES

With the UN Guiding Principles on Business and Human Rights endorsed in June 2011, the world's businesses received an authoritative, globally recognised reference point for respecting human rights, including the core labour rights.

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

Human Rights are essential for the dignity, well-being and development of all people. Respecting human rights in business is defined by having a management system in place, that as a minimum, meets the standard 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. The management system of the UNGPs is copied directly into the OECD Guidelines for Multinational Enterprises (OECD), where principles for economic and environmental sustainability are additionally covered.

Our Corporate Social Responsibility Report demonstrates how GLOBAL CSR implements the UNGPs. Thus, ensuring respect for human rights within the organisation. We also show how meet our social and economic responsibility, aligned with the OECD Guidelines for multinational Enterprises. We strive to inspire other businesses to do the same. Additionally, we outline where we work beyond compliance in the final section of this report.

All companies, regardless of place and context of operations, will have both potential and actual adverse human rights impacts.

All companies are managing such impacts to some degree; for instance through efforts to create safe and healthy working conditions for employees. CSR Compliance consists of identifying potential and actual impacts and showing what we do to manage such impacts. This refers to social sustainability, composed of all human rights, as well as environmental and economic sustainability.

Over the last years, GLOBAL CSR has been working on a cloud-based tool to conduct CSR due diligence. This tool is to incorporate Human Rights, Environmental and Economic areas and principles. The tool is to be launched in the beginning of 2020.

Our impact assessments show that we did not cause or contribute to any severe adverse impacts in 2018. The nature of our business is to assist businesses in managing their adverse impacts on human rights. Thus, naturally, we are directly linked to severe adverse impacts on human rights. However, our role as advisors is to assist and enable other businesses to manage their responsibility. Thus, we assist businesses in preventing or mitigating adverse impacts, as well as use our leverage to make businesses stop actual severe adverse impacts where we learn of them in our value chain. Our legal privilege as registered attorney enables us to keep sensitive information from clients confidential.

POLICY COMMITMENT

Our policy commitment pervades all aspects of our business conduct and is publicly available at our website.

GLOBAL CSR Policy on Corporate Social Responsibility (CSR)

At GLOBAL CSR, we have developed our expertise in the field of responsible business conduct. We advise businesses on how to respect Human Rights, together with managing environmental and economic sustainability. All in full alignment with the global minimum standard for responsible business conduct.

Sustainability – The Triple Bottom Line

Our commitment is based on the internationally agreed core principles for sustainable development; human rights (including labour rights), environment (including climate), and anti-corruption. The principles are listed by the UN Global Compact and made operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

Our commitment means that we continuously identify, prevent and mitigate our risks of adverse impacts in the area of human rights, environment and anti-corruption. We manage this through impact assessments in these areas, and we communicate how we manage adverse impacts to relevant stakeholders.

Our expectations to employees

Our employees are key partners in helping us respect international principles for sustainable development. We expect all team members at GLOBAL CSR to assist us in honouring our commitment. We embed our

CSR commitment in the daily work of both our employees and management through training, communication and ongoing assessments. We always appreciate good ideas for how to identify, prevent and mitigate our negative impacts on sustainable development as well as to make a positive impact.

Our expectations to business relationships

We expect all of our business relationships to meet the globally agreed minimum standard for responsible business conduct as expressed in this commitment. Business relationships shall implement the UNGPs/OECD; i.e. manage risks of adverse impact in relation to human rights, the environment, and anti-corruption, and share their results with relevant stakeholders. We also expect them to ask the same from their relationships. Information of severe impacts shall be communicated to us promptly.

Integration

This policy commitment is reflected in all other policies, guidelines, and procedures in GLOBAL CSR. We encourage our employees and other stakeholders to inform us about challenges on human rights, the environment, or anti-corruption associated with our services, products or business relationships.

Policy Commitment development

This policy is developed with assistance of internal experts and approved by the founder and CEO. The policy commitment is communicated both internally and externally. The policy will be reviewed and, if necessary, revised every second year reflecting our progress in implementation.

DUE DILIGENCE

GLOBAL CSR regularly conducts impact assessments on human rights, the environment and on anticorruption. They are conducted with the engagement of our employees - accommodating the UNGPs criteria of meaningful participation of the potentially affected stakeholders in identifying adverse impacts. This also serves as a way to further develop employees' capacities on the UNGPs and OECD. Employees assist in addressing identified adverse impacts by presenting ideas for improving the efforts of GLOBAL CSR.

The first step of the due diligence process is identification of potential and actual adverse impacts. We are continuously in dialogue with our employees and clients for the identification process. Whenever we are made aware of actual adverse impacts in our value chains, we use our leverage to make the causing or contributing entity stop the impact and act in accordance with the UNGPs and OECD Guidelines.



Social Sustainability

We have identified non-severe adverse impacts on 15 of 48 human rights. We take actions to prevent and mitigate all of such impacts. The list below provides an overview of rights where potential adverse impacts on human rights were identified by our firm.

- 2. Right to non-discrimination
- 3. Right to 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
- 10. Right to education
- 11.d Moral rights of authors
- 13. A Right to not be subjected to degrading treatment
- 23. Right to privacy
- 25.b Right to freedom of expression
- 25. C Right to freedom of information

Our actions to prevent or mitigate adverse impacts on these rights are continuously tracked to ensure the effectiveness of our measures.

As an example of how GLOBAL CSR is managing our adverse impacts, take the right to rest, leisure, and paid holidays. We have identified that we may have adverse impacts on this right, since we are allowing overtime work during delivery of large projects with short deadlines. We are managing the adverse impact by having an agreement in place for weekly working schedules. Furthermore, employees are asked to take

time off whenever they have worked overtime. If it in rare cases, is not possible to take time off, employees will receive economic compensation for overtime work. We may also have adverse impacts in relation to not ensuring that employees have the opportunity to take vacation. These adverse impacts are managed by providing a specific amount of vacation days annually.

As an example of a right where GLOBAL CSR has no adverse impact a human right, we identified no impact in relation to the right to adequate housing. We assess that we are not at risk of having an adverse impact on this right, as we do not offer or provide any housing, accommodation, or similar.

Environmental Sustainability

Companies of every size and type can 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.

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

We assess that, as an office environment, we have not identified many significant impacts on the environment. However, we recognise that we can have an environmental impact on air emissions due to work travels. We continuously seek to reduce our environmental impact by using the most environmentally friendly available 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.

However, being a consultancy firm that serves clients internationally, we cannot completely eliminate air travel. 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.

Our e-learning platform, learnCSR, allows us to decrease the environmental impact of our company and our clients. Our consultants and course participants avoid travelling to specific locations to participate in lessons, as they can enjoy the educational aspects of learnCSR through online technology. Several thousand employees have already been trained through learnCSR, constituting a significant CO2 abatement.

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, being in contact with relevant authorities and urging all our business relationships to minimise their environmental impacts.

Economic Sustainability

Economic sustainability entails incorporating contributions to sustainable development into core business strategies, whilst ensuring that no functions have adverse impacts. Economic sustainability further extends

to eliminating negative impacts on the economy, particularly in relation to corruption and bribery.

We have identified five potential adverse economic impacts. The list below provides an overview of the areas where potential adverse economic impacts were identified by our firm.

- Clearly define job duties based on skills, qualifications and experience
- Abstain from cronyism and nepotism
- Offering or accepting gifts beyond stated value (approvals)
- Trading in influence in relation to business partners, government officials or employees
- Bribes to or corruption of private counterparts

GLOBAL CSR is a value-based company, proactive in encouraging positive norms and values amongst our employees and business relations. We are financially transparent and seek to foster an open and transparent culture internally. In addition to having an external accountant, we communicate 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 local common business practices are considered bribes in a Danish context. Thus, we are diligent in communicating our values as the basis for our business conduct, making sure to build business relationships based on trust and common understanding.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Knowledge is our primary resource. The success of our business depends on our knowledge, competencies and our abilities to communicate this knowledge. It is important for GLOBAL CSR to continuously improve our competencies on CSR and sustainable development in theory as well as in practice. It is important for us to share our knowledge and support the CSR field in developing better, more cost-efficient and innovative ways to address global challenges in relation to social, environmental and economic sustainability.

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

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 impacts in a structured manner. As we also provide services to international corporations, our services span across borders.

Moreover, we advise clients to address CSR with their business relations. This is done upstream (supply chain), downstream (distribution) and with other business relationships, including investments. We assist our clients in directing strategic focus on contributions, whilst complying with the globally agreed minimum standard for social sustainability. This way, we ensure that CSR efforts contribute to sustainable development in the best

way possible. We are experts in identifying both challenges and opportunities through direct application of the globally agreed principles for responsible business conduct.

Two key principles of social sustainability, which we promote through our operations and products are: **The Right to Education** and **Freedom of Information**. We contribute to the right to education by sharing our knowledge through teaching and through advising organisations and initiatives that are key players in the continued development of CSR. We promote the right to freedom of information by helping businesses with operational principles on how to communicate their commitments both internally and externally.

GLOBAL CSR continuously works to promote environmental sustainability. In 2018, GLOBAL CSR assessed and advised several Danish and international clients on the implementation of principles 7-9 of the UNGC into core business operations. These three principles serve to support precautionary approaches to environmental challenges, undertake new initiatives on environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies.

In 2018, we assisted our clients in meeting growing environmental challenges, requirements and expectations that they face today. We work with strategic partners that are leading experts on environmental sustainability. We have advised clients in performing environmental impact assessments, life cycle assessments, carbon and water footprint assessments. Additionally, we have participated in, and held several seminars and workshops, aiming to raising public awareness and meeting

the growing need for education on CSR and the business case for being environmentally responsible.

Whereas corporate economic responsibility initiatives only require companies to address the international principles on anti-corruption, we advise our clients in good corporate governance and in dealing with the upcoming issue of sustainable tax payments.

GLOBAL CSR contributes to the elimination of corruption through advising clients on corporate economic responsibilities and opportunities. In cooperation with our strategic partners, we help our clients strategically implement the 10th principle of the UNGC into their businesses.

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.

Moreover, GLOBAL CSR persists in the development of practical solutions for applying the UN Guiding Principles in Socially Responsible Investments (SRI). We screen companies before investments and assist corporations that invest in businesses in ensuring 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.

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 that 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 2018 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. One such presentation was at the annual UN Forum on Business and Human Rights, where we presented the first global examples of documenting due diligence, and benefits of such documentation in business relationships.

GLOBAL CSR focuses heavily on investing in- and 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 2018, we informed and trained more than 200 individuals in the UNGPs, including app. 60 corporate representatives that received in-depth training.

The guide **Constructive Campaigning**, as written by GLOBAL CSR, continues to assist NGOs and civil society in structuring their campaigning under the global framework for sustainable development.

GLOBAL CSR's e-learning platform, **learnCSR**, provides CSR training in an effective, flexible and cost-efficient manner on human rights and the UNGPs; see www.learncsr.com.

GLOBAL CSR continues to promote and sell its 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. Further, concrete scenarios on adverse impacts, the application of the UNGPs and positive contributions demonstrate the relevance of all human rights in a business context. The booklet is an important tool for businesses seeking to respect human rights and can be purchased from GLOBAL CSR.

GLOBAL CSR has, between 2017 and 2018, been working on further developments of its **cloud-based impact assessment tool**. The updated tool, to be released in 2020, enables businesses to assess adverse impacts on human rights, the environment and economic sustainability. It further enables management of business relationships, such as suppliers.

GLOBAL CSR continues to offer its one-day **labs**: 'UNGP Compliance', 'Human Rights Impact Assessment' and 'Responsibility in Business Relationships', which aim to develop the attendants' CSR capacity.

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

Through the mentioned areas, GLOBAL **CSR** continues to promote social sustainability and the UNGPs in particular.

'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@globalcsr.net or +45 44 99 55 06.