



Global Compact

Annual Communication on Progress 2012



Confederation of Danish Industry

Preface

A growing society in balance

Danish businesses are acknowledged worldwide for their responsibility and sustainable production. The Corporate Social Responsibility agenda is no novelty to the Danish business community, or to DI as a business organisation. DI is Denmark's largest business organisation representing more than 10,000 companies with 1 million employees in Denmark and abroad, and we are conscious about our obligations. Our vision is to create an open and affluent society, growing and in balance. On that basis Denmark should be the world's most attractive country to operate a business in, and from. When Danish businesses win, all of Denmark wins.

DI wants to play an active role in the solution of those financial, environmental and social challenges that are facing Danish businesses when they are operating in a global context.

DI takes a responsibility in Denmark, both as an employer and as Denmark's largest business organisation. We do this by suggesting solutions that help businesses maintain their competitiveness and hereby create value for society as a whole. A precondition for strong Danish businesses is a balanced society – a society where growth does not deprive future generations of the possibility of covering their needs.

We are working in favour of a society that is growing economically, with a qualified and motivated labour force and where our actions respect the environment and the increasingly scarce natural resources.



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➔ DI wants to play an active role in the solution of those financial, environmental and social challenges that are facing Danish businesses when they are operating in a global context.

Statement of support

DI is strongly committed to the UN Global Compact which offers companies a voluntary framework founded on internationally recognized principles. During the last decade, the Global Compact framework has been adopted by approx 280 Danish companies as it offers a truly global framework for integrating sustainability into the way of doing business. The flexibility of the Global Compact allows companies to integrate the principles in their business strategy and hereby create shared value for both the company and the society.

DI is pleased to have worked with the United Nations since 2001 to raise awareness of Global Compact among Danish companies. We see the Global Compact as a great opportunity for our member companies to contribute to a more sustainable growth and as a way to improve their competitiveness through the variety of tools and best practice sharing instruments, that are at the very core of the Global Compact.

DI engages in various international and national forums related to the CSR agenda. DI also represents the voice of business in the public debate where we stress the importance of supporting the Global Compact as the global business driven framework for working with CSR.



CSR in DI

DI has since 2001 worked actively with the CSR agenda from the fundamental view that CSR must be business-driven and that CSR at all times should be linked to the core business and generate shared value for business and society. This shared value can arise from opportunities in terms of new markets, products or processes or in terms of minimizing the risks that companies face in their global value chains.

With more than 10,000 businesses as members DI's primary focus has been to support and promote strategically founded CSR initiatives by businesses.

The business-oriented approach has always been at the centre of DI's effort because we hereby link CSR to our daily work as a business association and secure a great impact through our wide reached contact network of businesses. DI has an ongoing dialogue with the authorities in order to create the best environment for businesses. Furthermore DI develops specific tools, advise businesses, operates networks and hosts seminars on CSR related matters. This way we support our members' CSR efforts hence creating a larger impact compared to solely having an internal focus on CSR.

Alongside the member focused activities, DI wishes to act as a responsible employer. This is done through several activities such as making sure that the new office building on the town hall square of Copenhagen offers a great work environment together with a strong sustainability profile. These two parameters have been permeating through all the solutions chosen for the building. As an example the double facades can be mentioned. The double facades are not only securing energy savings, but they also diminish traffic noise and help maintain the right temperatures which create a great working environment.



State of Green
Join the Future. Think Denmark

However, the combined internal efforts are estimated to be substantially lower than the effect from DI's political dialogue and the member focused initiatives. Given that the estimated effect of the member-focused initiatives is greater, we also believe that this is where DI has the largest impact. Based on this impact reflection, the report will only be focusing on highlights related to member-focused CSR activities.

A continuous dialogue at international and national level

DI is an active participant when it comes to the international CSR agenda. DI is represented in both OECD and the UN through the organisations BIAC and ICC. DI has a seat in the BIAC Anti-Bribery/Corruption Task Force, BIAC's Investment Committee and the ICC Commission on Corporate Responsibility and Anti-Corruption. Through this participation DI shares knowledge with businesses and business associations worldwide. In addition to knowledge sharing, DI contributes to consultations on international CSR related issues.

The Danish Council for Corporate Responsibility was established to support and inform the Danish government on matters related to Danish companies' work with sustainability. DI has been an active member of the council since its start in June 2009. One of the major achievements for the council in 2012 has been to develop recommendations on how the entire international framework on business and human rights "Protect, Respect and Remedy" can be implemented in Denmark.

The Mediation and Complaints-Handling Institution for Responsible Business Conduct, which is the Danish OECD contact point, was launched 1 November 2012. The Institution is a non-judicial institution that enables companies, organisations and public authorities to resolve disagreements regarding infringements such as human and labour rights, international environmen-

tal standards or corruption. In the process of making recommendations DI has worked to ensure that the Institution cannot be used as a public pillory for companies that improperly face demands. At the same time the Institution must be able to handle accusations of actual violations. DI is represented in the Institution.

DI is one of the founders of State of Green. State of Green is a public-private partnership with the purpose of increasing awareness on green solutions in Denmark worldwide. Further to being one of the founders behind State of Green – the official green brand of Denmark, DI is also a member of the steering group behind the initiative Forum for Sustainable Procurement. The forum's purpose is to raise awareness of the benefits and opportunities that lie within sustainable procurement for both society, businesses and organizations.

DI is a member of the steering committee behind The National Council for Volunteering which was formed on 1 February 2012. The purpose of the Council is creating awareness and sharing relevant knowledge on how the voluntary sector can be developed and be a part of the solution to welfare issues in Denmark.

Network facilitation

DI hosts several networks where companies are invited to share examples on innovative corporate practices and lessons learned. DI hosts networks within all sectors through our eight multi-trade communities, 86 member-associations and 17 regional associations in Denmark. Management and productivity alone accounts for more than 30 networks. Networks contain a great potential for development – both for companies and employees. DI's networks and events create input on everything from new markets and products to specific challenges. Furthermore, DI hosts two networks on sustainability. These networks are not only an offer for our member companies to engage in discussion on CSR issues, but also a forum that promote dialogue between business, public sector and civil society.

Global Compact as framework

Since joining the Global Compact DI has been actively engaged in advancing the Global Compact agenda in Denmark in general and among member companies in particular. DI has until recently held the position of focal point in the Global Compact Nordic Network, which DI co-founded together with its Nordic peers.

The Global Compact Nordic Network was founded in 2003. The purpose of the network, that consists of a group of signatories from Norway, Sweden, Finland, Iceland, Greenland and Denmark, is to provide a learning forum for Nordic members of the Global Compact. Two annual meetings can together with the COP Peer Review and the Development Chapter be mentioned as some of the major activities during the past year. The annual meetings are used to discuss and share experiences concerning the implementation of the Global Compact principles.

The COP Peer Review programme was established based on the fact that all signatories of the Global Compact are required to report yearly on their progress (Communication on Progress report). The COP Peer Review offers the network members a unique opportunity to receive qualified feedback on their COP reports from peers.

The purpose of the Development Chapter is to further explore the possibilities of cross-company/cross-sector collaboration, which may lead to increased benefits for all. The Chapter has held, in collaboration with UNDP, a consultation on the UN Sustainable Development Goals Post 2015 together with a consultation on The Sustainable Agriculture Business Principles (SABP).

The consultations gave the network members the opportunity to contribute to the UN process of determining the scope and the nature of the sector specific initiative and the next development agenda.

During 2013 the executive director of the UN Global Compact, Georg Kell, participated in an informal meeting with the Global Compact Nordic Network hosted by DI. Members from Sweden, Norway, Finland, Iceland and Denmark were present at the meeting.

DI has assisted in securing private sector commitment to local Global Compact networks in developing countries. DI assists UNDP Kenya and UNDP Ghana in transferring the local networks to private sector driven network secretariats. The objective of the projects has been to strengthen the role of the Kenyan/Ghani Global Compact Networks in promoting responsible business practices among companies by making the network more business-driven, and by enabling it to benefit from the experiences of the Global Compact Nordic Network.

An updated version of the tool "Global Compact Self Assessment", which was first launched in 2010 as an outcome of a partnership between DI and the Danish Business Authority, has been available in 2013 and free to use for both signatories and non-signatories of the Global Compact. By making Global Compact's ten principles more concrete, business are now able to assess their own efforts. Furthermore, the tool is aligned with United Nations Guiding Principles. Read more about the tool at globalcompactselfassessment.org. Another tool that has been updated during 2013 is the CSR Compass. The CSR compass offers businesses a concrete tool to manage social and environmental challenges in the supply chain and to comply with expectations from governments, industry and NGOs. The CSR compass has also been aligned with the United Nations Guiding Principles.



Highlighted activities framed within the ten UN Global Compact principles

Can businesses be the solution to the world's social problems?

On 28 January 2013 DI held a conference with Mr Muhammad Yunus as key note speaker. Muhammad Yunus was awarded the Nobel Peace Prize in 2006 for his thought on microfinance.

150 participants from companies, universities and organisations attended the conference. The purpose of the conference was to give participants an insight into Muhammad Yunus' business philosophy "social business" and to focus on the role of business in solving some of the world's social problems.

Partnerships between business and NGO

DI, ISOBRO (the association for collecting organizations) and Copenhagen Business School hosted a Part-

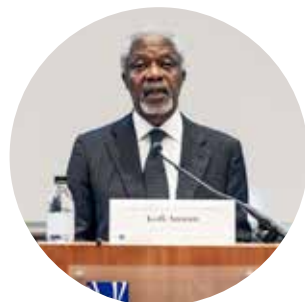
nership conference in Copenhagen on 11 – 12 June 2012. The keynote speaker was former UN Secretary General Kofi Annan who gave his input on the concept of social responsibility in a global context along with his view on strategic partnerships between businesses and NGO's. Besides Kofi Annan, HRH Crown Princess Mary and DI's CEO Karsten Dybvad attended the conference.

World's Best News

DI is helping to create awareness about the campaign "World's Best News". The campaign is organised by DANIDA and the UN together with Danish businesses and 75 development organisations. The objective of the campaign is primarily to highlight the positive effects that innovative projects in developing countries can have for both businesses and the host countries.

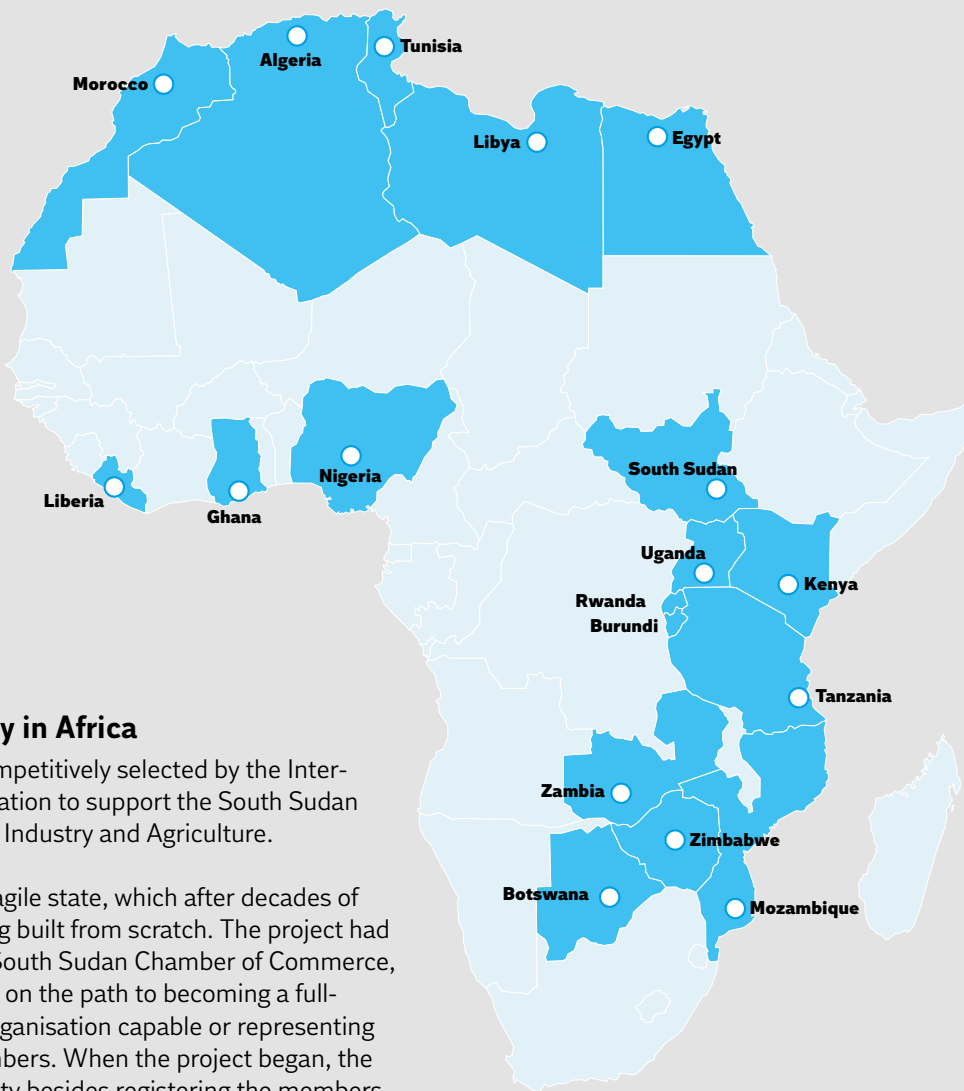
Outside the Danish border

DI works with business driven CSR on many levels, one of which is to assist individual member companies with support and advice in relation to CSR strategies. This is done both on a national and international level – the latter from DI's offices in Moscow, Shanghai, Mumbai, Sao Paulo, New York as well as direct assistance in various developing countries.



➔ Human Rights and Labour:

- ① Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- ② Principle 2: make sure that they are not complicit in human rights abuses.
- ③ Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ④ Principle 4: the elimination of all forms of forced and compulsory labour;
- ⑤ Principle 5: the effective abolition of child labour; and
- ⑥ Principle 6: the elimination of discrimination in respect of employment and occupation.



Building up capacity in Africa

In May 2012, DI was competitively selected by the International Finance Corporation to support the South Sudan Chamber of Commerce, Industry and Agriculture.

South Sudan is a very fragile state, which after decades of civil war is basically being built from scratch. The project had the objective of setting South Sudan Chamber of Commerce, Industry and Agriculture on the path to becoming a full-fledged private sector organisation capable of representing the interests of the members. When the project began, the Chamber had little activity besides registering the members and the elected organs did not meet regularly.

Here, one year after a strategy for the organisation is in place; staff members have received training in policy advocacy; and new services are planned. DI will continue to support South Sudan Chamber of Commerce, Industry and Agriculture in implementing their strategy and thereby strengthen the voice of the private sector in South Sudan.

With the aim of improving the business environment in developing countries, DI has for the past 16 years assisted its sister organisations in the build-up of capacities. Over the past years DI has collaborated with Business Membership Organisations in more than 21 countries in Africa, Asia, Eastern Europe, and Latin America. The primary vehicle to build up institutional capacity in developing countries is strategy development and the strengthening of operational capacity.

Currently, this has led to projects in Kenya and Ghana that successfully are shaping public and corporate perception of the role and responsibilities of companies in society. In addition, the Business Membership Organisations are changing their perception of the value of engaging with civil society actors as an integrated part of their work. For DI this work also has a very tangible value. In Kenya Danish companies with local presence have joined the Global Compact Kenya Network and through this network seeks to help navigate the sustainability challenges in Kenya and receive support on how to interact with local communities.

Further to having an increased focus on South Sudan, DI also works with several other African countries (see picture). At "Africa NET" on LinkedIn different Africa interested stakeholders are able to join the conversation and share knowledge. Furthermore, the platform is used to promote activities and events related to Africa. Another interesting Africa initiative is DI's publication ["Ten trends that make Africa interesting for Danish businesses"](#)

➔ Environment:

- ⑦ Principle 7: Businesses should support a precautionary approach to environmental challenges;
- ⑧ Principle 8: undertake initiatives to promote greater environmental responsibility; and
- ⑨ Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Why waste it?

In June 2013 a new member association was established in the wake of an increasing focus on waste. The new member association "Waste- and Resource Industry" is working to improve the current market conditions and make the access to waste and the associated resources free and equal for all. In addition to housing the member association, DI used the People Meeting at Bornholm as a venue to discuss the future of waste and resources with various stakeholders. In a game of "waste-monopoly" questions like how do we ensure the best use of waste? and, what do we do about hazardous substances? were brought up. The two competing teams were composed by business representatives, politicians and representatives from various organisations.

Tools developed to simplify

The Climate Compass is a tool to help businesses and other organisations who want to calculate and reduce carbon emissions, save energy and reduce climate impact. The Climate Compass is developed by DI in partnership with the Danish Business Authority under the Danish Ministry of Business and Growth. The compass was updated in 2013 with a new CO₂ calculator as well as an application that makes it easier to compare CO₂ calculations from year to year.

Based on the acknowledgement that many businesses struggle to find time and resources to go through the endless instructions on environmental efforts, DI has in collaboration with Danish Ministry of the Environment, Aalborg University, Life+ and Green Cross Denmark developed the digital toolbox Green21. The objective is to give businesses easy-to-use tools to help them promote their environmental efforts and benefit growth, product development and communication. The tools are easy-to-use, relevant and adjustable to the specific needs of the business.

Save energy and earn money

The campaign "Save energy and earn money" was initiated by DI Energy based on the energy agreement that the Danish Parliament concluded in 2012. The agreement involves a comprehensive energy transformation in Denmark, which creates great challenges and opportunities for businesses to reduce and restructure energy consumption. During 2013 the campaign has toured Denmark and highlighted themes such as energy efficiency, savings and renewable energy. The more than 200 participants gained knowledge from different speakers and case presentations from businesses that have worked with energy efficiency and renewable energy investments.

Avoid corruption

Corruption and bribery is illegal. At the same time it is a reality that Danish businesses have to deal with corruption when operating in global markets. This puts businesses in a situation where international law and local practice at times collide. At a conference in May 2013 DI, Copenhagen Business School and Transparency International addressed legislation, process and practice alignment regarding anti-corruption. In connection with the Anti-Corruption Conference DI had the pleasure of welcoming Transparency International's President, Huguette Labelle for an informal talk about anti-corruption among members of the Global Compact Nordic Network.

Should lobbyists be kept on a leash?

DI's Federation of Professional Service Firms has been one of the driving partners behind a new platform addressing sustainable lobbying "Good Lobbyism". The platform's main purpose is to illustrate the role of lobbying as a corner stone in the complex democratic decision-making process. The foundation of the platform is five key principles connected to lobbying. The principles are based on the ICCO Stockholm Charter and "Code of Conduct" associated with the European Union "Transparency Register". The sustainable lobbying platform can be used as a spokesman for the sector to clarify the basic principles of good conduct within the sector.

Visit the platform at: www.godlobbyisme.dk

➔ Anti-Corruption:

⑩ Principle 10: Businesses should work against corruption in all its forms, including



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