



The Danish Government's strategy on CSR

Profitable business and sustainable society

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Agenda

- The Danish' Government's strategy on CSR
- Strategic CSR: making CSR a business case
- Legal requirement on CSR-reporting
- Practical initiatives
- Results



Competitiveness & growth requires responsibility

- Aim: ensure the long-term sustainability of the Danish companies by making them competitive in the future market
- 65% of the Danish companies find that CSR is of outmost importance to their future growth
- 9 of 10 Danish companies are *not* reducing their CSR-efforts in times of crisis
- 6 of 10 Danish companies meet CSR-demands from their B-2-B customers



The Danish Government's strategy on CSR

- **Task: Create the best possible conditions**
- **Action Plan on CSR (2008)**
 - Regulation on Companies' disclosure of non-financial information (2008)
- **Focus: strategic CSR as the business strategy**

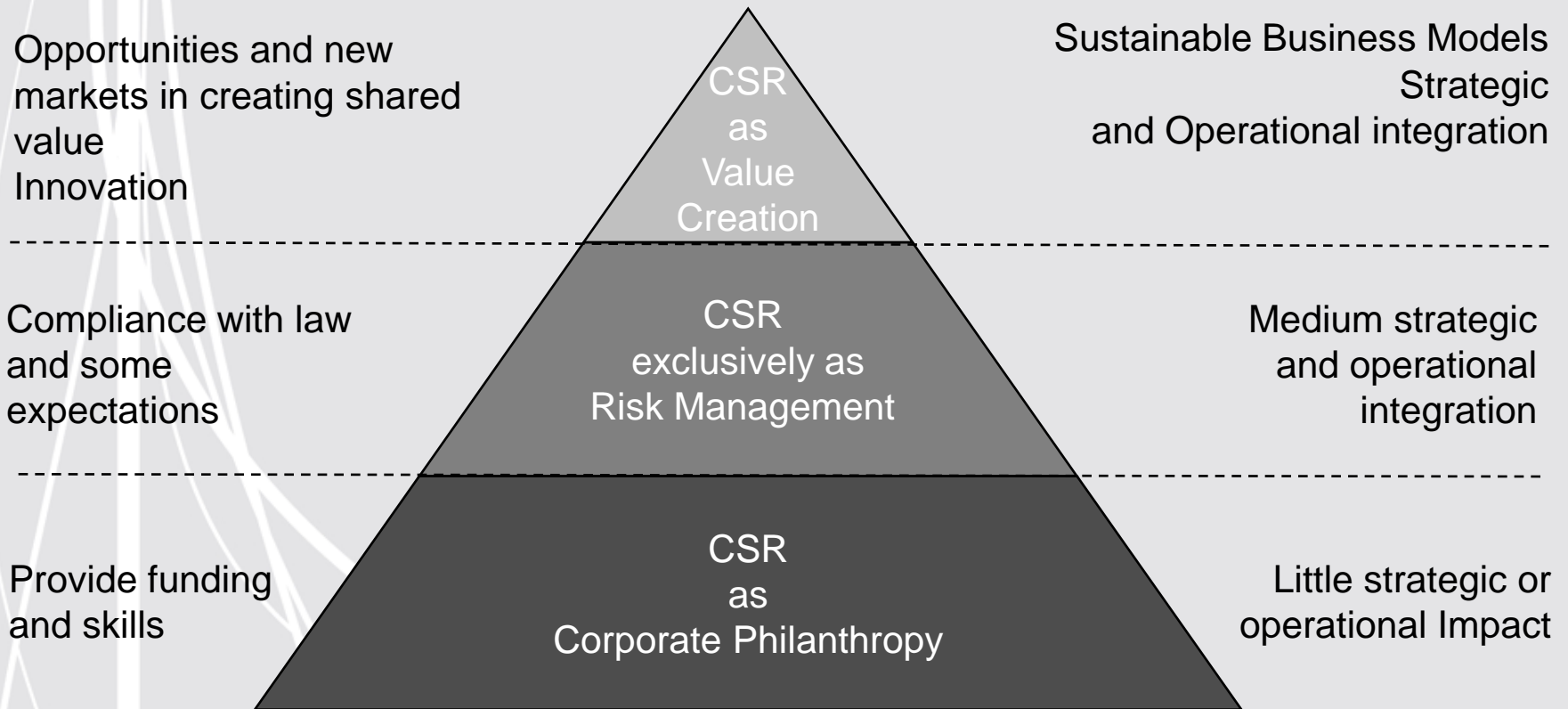


Strategic CSR: The theory

- Porter & Kramer: Synergy between business demands and the needs of society
- Business opportunities in integrating society's challenges in business strategy
- Creating shared value for business & society: profit & responsibility are not opposites – rather the contrary



3 understandings of CSR





Strategic CSR: Our "definition"

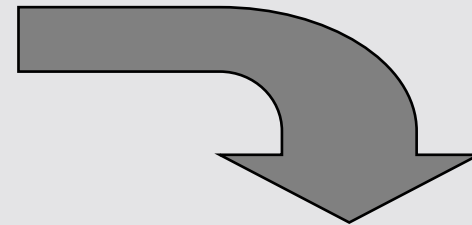
Companies demonstrate strategic CSR by:

- Proactively and strategically managing social, ethical and environmental risks and opportunities that are linked with the core business.
- The activities must be performed in accordance with internationally recognised principles and based on dialogue with stakeholders.
- This includes transparency and disclosure on material CSR issues, as this is vital to rebuild trust in business among investors, customers and stakeholders.

Integrating challenges and opportunities in the business strategy and the business goals



Not like this!





Linking strategic challenges and CSR:

- Innovation: green solutions
- Social inclusion: better basis for recruitment, responsible, loyal and creative employees
- Stakeholder interests & partnerships: broader understanding of issues and possible solutions
- Responsible supply chain management: quality in products and deliverances, good story, risk management



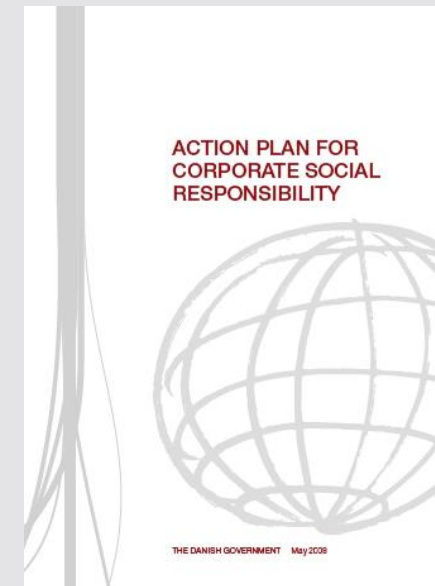
The Government's Action Plan for CSR

Ambition:

Denmark and Danish companies should be internationally recognized for responsible growth

30 initiatives - 4 areas of engagement

1. Propagate strategic CSR
2. Promote CSR through government activities
3. Company responsibilities and climate
4. Branding Denmark on responsible growth





Selected initiatives

- Legal requirement on CSR-reporting
- The Council on CSR – multistakeholder forum
- Guidelines for responsible supply chain management
- Guide to responsible investment
- People & Profit: education
- ISO 26.000: final negotiations in Copenhagen 2010
- www.csrgov.dk: General information on CSR
- Web-based tools: Assist in particular sme's:
 - - Climate strategy, innovation, communication, supply chain,



Results

- 120.000 users of website and web-based tools
- 7 out of 10 Danish companies work with CSR
- 75 % of Danish companies see CSR as a more important part of their business today, than they did five years ago (2009)
- 12.000 managers trained in CSR
- Increased number of Danish businesses have become members of *UN Global Compact* and *Principles for Responsible Investments*
- Danish companies appreciate the new legal requirement on CSR
- Danish stakeholders are supportive of a new legal requirement on EU-level



Legal requirement on CSR reporting

- Survey of 1,000 Danish companies: 77 % of Danish companies work with CSR – but 55 % do not communicate about their CSR work.
- 1. January 2009: large companies in Denmark are required to account for their work on CSR in their annual reports on a comply- or explain basis
- Aim: inspire companies to take an active position on social responsibility and communicate this



Mandatory reporting of voluntary CSR

Flexible reporting to promote strategic CSR:

If the company engage in CSR, it must report on:

1. CSR policies
2. CSR activities
3. Evaluation of what has been achieved and any expectations

If the company is not engaging in CSR this must be reported



The impact of the requirement in numbers

- 97 % of the companies disclose information regarding CSR
- 3 % do not account for CSR at all and thus do not comply with the reporting requirement
- 9 % of the companies accounting for CSR state that they do not work with CSR
- 43 % of the companies, who state that they work with CSR, have not previously reported on CSR in their annual report
- Among the reporting companies, 69 % report on their policies, 60 % report on their actions, and 37 % report on achievements



Positive effects

- The requirement has provided some companies with:
 - an opportunity to start working with CSR,
 - to increase their focus on CSR, and
 - to better systematise their existing CSR work
- The companies appreciate the freedom of choice and flexibility:
 - the individual company can adapt the report to their particular context
- Several companies state that they are willing to maintain or increase efforts in future years in order to improve the quality of their report



New Action Plan on CSR

Recommendations from the Council on CSR:

- Strategic embedding and global front runners
- Respect for international principles
- Communication and reporting
- An enabling environment for CSR