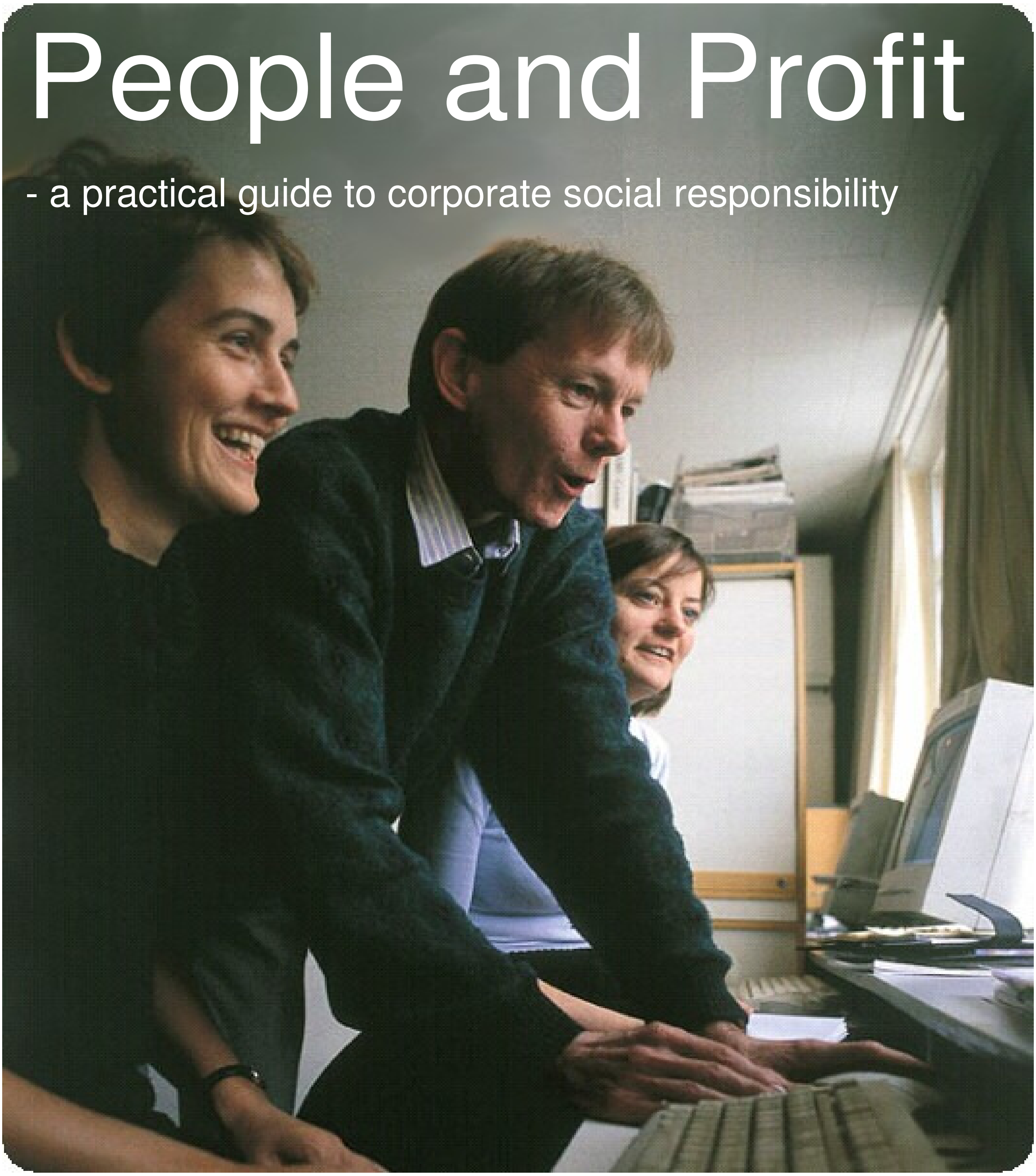
# People and Profit

## - a practical guide to corporate social responsibility



People & Profit

Social responsibility pays off

# CSR activities are…..

### Communication
- Why - Goals
- What – Which CSR activities
- When - Occasions
- Who – Stakeholders
- Where – Media

### Stakeholders
- Who are they?
- Dialogue & Inclusion
- Communication

### Employees
- Prevention
- Retention
- Integration

### CSR Innovation
- New processes
- New Products
- New Services
- CSR Profile business models

### Management
- Good management ethics
- CSR policies, procedures and guidelines
- Social responsibility

### Customers
- Demands from, and dialogue with customers
- Product labels

### Environment
- Pollution prevention
- Waste minimizing
- Reduction of energy, water, materials etc.

### Community
- Community support
- Contribution and sponsorships
- Partnerships

### Suppliers
- Risk assessment
- Guidelines
- Codes of conduct
- Cooperation

# People & Profit

## A practical guide to corporate social responsibility

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The book has been prepared by Rambøll Management in co-operation with the staff of the Danish Commerce and Companies Agency and a number of experts.

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The material has been prepared in connection with the People & Profit project and can be downloaded free of charge from the website: http://www.eogs.dk/sw28291.asp

# Preface

October 2007



People & Profit

Social responsibility pays off

In Denmark, we have a strong tradition for taking responsibility for our actions, for our fellow citizens and for our society. The Danish welfare system has meant that it's natural for Danish companies to work actively with protecting their workers, the environment and the society in general.

This guide has been put together to help prepare small and medium-sized businesses for working with voluntary environmental and social issues, also called Corporate Social Responsibility (CSR). In total, more than 12,000 managers from companies across Denmark were trained in 2006 and 2007, making the training program one of the largest in the world, both in absolute and relative terms. This English translation has been carried out due to expressed interest from the World Bank Group, and we hope that companies around the world will find the material useful.

Danish companies' CSR efforts have already gained international attention. In 2007, the international think tank AccountAbility named Denmark the second best nation in the world when it comes to working with CSR. It is the goal of the Danish government to be a leader in this area, and to assist companies in their efforts to improve their already impressive efforts.

It is the Danish governments' intention that this guide will serve two purposes. Firstly, to disseminate knowledge about how businesses can take advantage of their CSR activities to boost their earnings, corporate image, and ultimately financial result. Secondly, to inspire managers and members of staff in small and medium-sized enterprises to get involved with CSR in ways which support their core activities.

The People & Profit project is subsidised by the European Social Fund and the National Fund for Inclusion under the Danish National Labour Market Authority. I would like to thank the European Social Fund and the National Labour Market Authority for their generous support.

I would also like to thank the numerous employer and employee organisations, Danish and international experts, etc. who contributed to the realisation of the project and the courses.

I hope that the guide will inspire businesses around the world to put their CSR initiatives to active use and thus realise their true People & Profit potential.

Bendt Bendtsen

Bendt Bendtsen
Minister for Economic and Business Affairs

Kingdom of Denmark

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## How to use this guide

The guide is a reference guide and a workbook which allows your business to:

- Identify the CSR activities which are strategically relevant to your business in particular
- Find out more about the relevant activities
- Find guidelines and inspiration for getting started.

The contents of the guide forms part of the material used at the People & Profit courses. Subjects and headlines, therefore, are identical to those used at the course. The topics are also available on www.overskudmedomtanke.dk

The guide is divided into a number of subjects and activities, the description of which is two-fold:

- introduction
- guide and inspiration for working with the subjects in you own business

The instructions are as hands-on as possible taking into consideration that small and medium-sized enterprises in various sectors are very different.

You are not supposed to introduce all of the activities mentioned in the guide. The guide has been prepared as a source of inspiration for a discussion on which activities are relevant to your business in particular.

Good luck with your project!

## E-learning – material available online

This guide is also available online in an interactive version on the project website where you will find:

- The charts and analysing tools from the guide
- Instructions and inspirations
- Interactive tools
- Video cases illustrating the experiences of other businesses
- Links to other relevant websites.

*Find out more on* www.overskudmedomtanke.dk *(in Danish).*

# 1

# Introduction to CSR

# 1. Introduction to CSR – Corporate Social Responsibility

CSR (Corporate Social Responsibility) is a concept committing companies voluntarily to consider social and environmental issues. In other words, CSR is your voluntary effort to include society, the environment and your stakeholders in the context of your activities and operations. Thus, CSR includes the activities which make a difference to people and the environment. But CSR is also the actual process of including relevant stakeholders in the decision on which activities you plan to undertake in relation to people and the environment.

CSR is way of operating a business – and may be a means for developing the business and for improving its competitive edge.

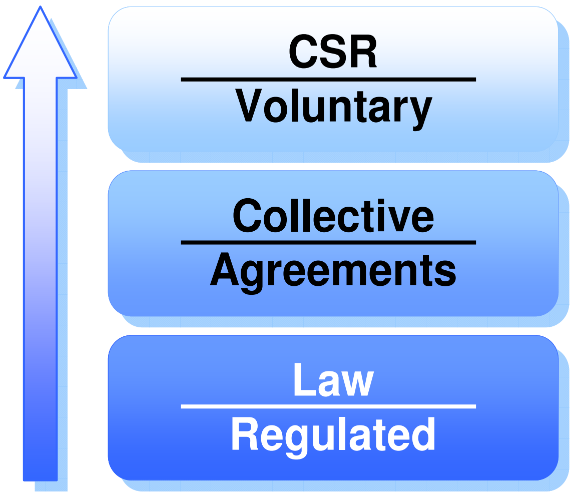
**Definitions**

Corporate Social Responsibility (CSR) is a concept committing companies voluntarily to consider environmental and social issues.

Small and medium-sized enterprises (SME) are companies with 1-250 employees, annual revenues of max. €50m or annual total assets of max € 43m.

*Sources:*
*http://www.europa.eu.int/comm/enterprise/csr/index_en.htm; European Commission, The New SME Definition, http://www.egion.dk/lib/files.asp?ID=5*

In addition, CSR builds upon the activities regulated by law or collective agreements in which the business is already engaged.




The scope of statutory regulation, agreements and the degree to which they are complied with vary considerably from one country to the next. This means that just by complying with statutory provisions and collective agreements, Danish businesses make a stronger effort in the field of CSR than many third-world countries do on a voluntary basis or businesses in other countries subject to less strict regulation. This may be used as a competitive advantage, when Danish small and medium-sized enterprises face CSR demands from their international customers. You are often able to meet the demands of your customers just by observing Danish legislation.

In Denmark, the concept of CSR is often mentioned in the context of other concepts such as “the socially inclusive labour market”, “sustainable development” and “the triple bottom line”; they are, however, only sub concepts of CSR. CSR includes numerous activities which may be divided into 10 areas as illustrated by the figure on the following page:


To find out more about the areas and activities, see the following chapters of this guide.

## 1.1. Apply CSR strategically – think CSR in terms of your business

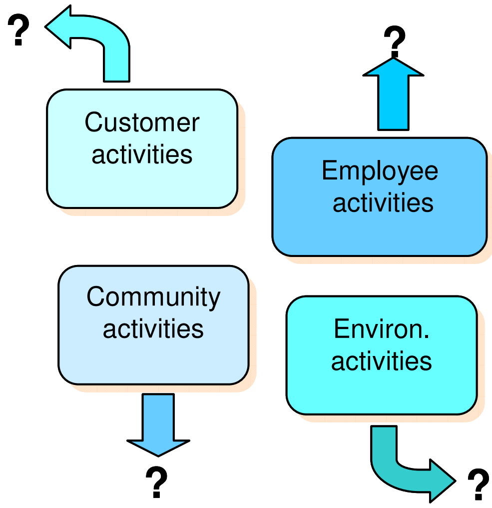
CSR will add the greatest value to your business when it complements your core business, and when societal commitment becomes an integral part of the business and its processes. Strategic CSR is about choosing the CSR activities that match your business and reflect your values and challenges.

It is also a question of identifying the activities in which you are already engaged and of ensuring the interaction between current activities, your business strategy and future activities.

### Internal CSR strategy

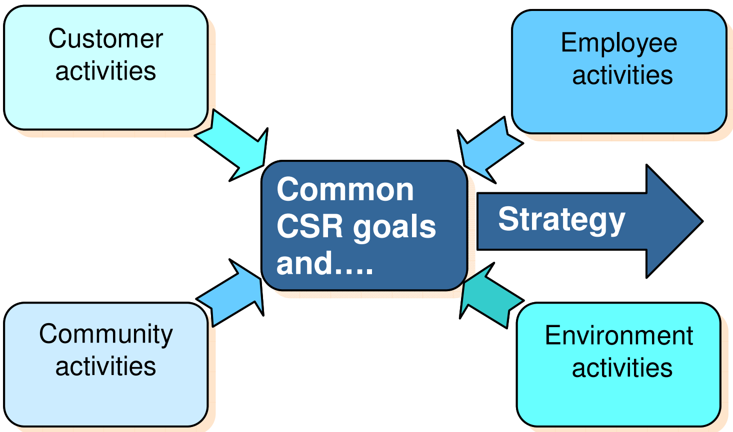
The concept of CSR incorporates numerous activities all of which are well-known and have been applied by many companies for years. The activities are initiated because of various needs, requirements, wishes, etc., and are often undertaken by different employees throughout the business.

For instance, an environmental manager may prepare a draft strategy for the business' environmental activities with particular focus on environmental problems. Likewise, a JSC is in charge of action plans in connection with occupational health and safety, and a human resource manager is in charge of staff development based on staff development interviews.




When you look at all the different activities which you are obliged to undertake or voluntarily engage in, a number of benefits emerge – through synergy effects and as a result of optimised decision-making.

It will seem quite natural to link environment and health and safety at work and to draw up action plans based on a common wish for optimisation. It will seem quite natural to view staff development in the context of health and safety as well as welfare – taking into consideration improved customer service. It will seem only natural to apply all the positive results and activities actively in the promotion of the business' products. This will strengthen and enhance the dialogue with the business' key external stakeholders.




There are multiple examples that a strategic approach to CSR and all CSR activities will have a positive effect on earnings, corporate image, promotional efforts and in-house job satisfaction.

Finally, synergy effects may in some cases be a source of inspiration for developing new products and services with a CSR perspective. Some of these companies are described as case stories in the course material and this guide.

## External CSR strategy

Strategic CSR activities require you to target the CSR activities at your core business. This will offer your business the full benefit of its societal commitment. The below figure illustrates that several factors are involved when you choose how to make a CSR effort. Certain factors apply specifically to your business, others to your sector in general. In addition, all businesses are under the influence of certain general trends in society. You should take into consideration all three levels before you decide which CSR activities to pursue.

**Society**

General trends
Challenges, demands and possibilities
Such as:
- Health issues - food, smoking
- Physical working conditions and stress

**Sector**

Challenges and demands specific to your sector
Such as:
- Environmental issue
- Working conditions
- The integration of vulnerable groups

**Company**

Conditions specific to your business
Such as:
- Possibilities and challenges to your core business and strategy
- Local community
- Supplier chain, human rights
- Customer demands and expectations

Below you see a number of questions which may help you target your activities. They involve all three levels – society, sector and business:

*Society*

1. Are there any subjects to which society pays particular attention?
   Such as corporate initiatives to alleviate stress, which has attracted a lot of attention lately.

*Sector*

1. Are there any subjects which are particularly relevant in your sector?
   Such as focus on hiring and retaining employees in certain sectors (e.g. bus drivers and cleaning staff).

*Business*

1. Would your core business be strengthened through CSR activities?
   Every year, ECCO, the shoe manufacturer, host a Walkathon and donates money to charities based on the number of kilometres walked by the participants. That way the business engages in a health-promoting activity, makes a charitable donation while at the same time attracting attention to its product – shoes.

2. Would it be possible for you to enhance your products or services through increased societal commitment?
   Some businesses benefit from taking a CSR approach to their products. You may cultivate new markets by including your stakeholders developing socially relevant products and services. One example is the turbine industry which has been very successful in creating a new market for renewable energy. Other examples include the Danish company Specialisterne, which has managed to create jobs for people suffering from autism by using their strengths to create a commercial success. Specialisterne was awarded the Netværksprisen 2005 (the 2005 network price).

3. Will it be possible for you to reduce your production costs by increasing your societal commitment?
   Many manufacturing companies introduce increasingly environment-friendly production processes and thus show social responsibility, and at the same time they reduce the cost of energy, water and resources. Can you enhance your product/services by making environmental or societal considerations?

4. Will your customers, now or in the future, demand that you show societal commitment? Many small and medium-sized enterprises, which operate as suppliers to other companies, face demands of social responsibility to maintain this relationship. A survey undertaken by the Copenhagen Centre shows that six out of 10 Danish companies face CSR demands from their customers[1].

5. Do any of your suppliers present a particular risk in terms of your corporate image? Companies with suppliers in third-world countries, where rules on child labour, environmental protection, corruption, etc. are not the same as in Denmark, risk being held responsible for the activities undertaken by the supplier and risk receiving bad media coverage.

The different types of CSR activities may, directly or indirectly, contribute to your earnings by e.g. improving your corporate image and your possibility of attracting qualified staff and reducing production resources, by enhancing cooperation with your suppliers and your goodwill in general.

## 1.2. Possible CSR pitfalls

It is important to remember that CSR is an obligation. When you get involved with CSR, your stakeholders may expect more from you. Therefore, it is worthwhile considering any potential CSR pitfalls.

The below questions will help you identify any potential challenges resulting from your CSR involvement:

- How do you make sure that all members of staff are committed to the CSR effort?
- How can the cost of the CSR effort be adjusted to match your outcome?
- Do your stakeholders have conflicting interests?
- Does CSR match what is expected from your business in general?
- What does CSR mean to your business partners?
- May trade secrets become disclosed to your competitors?
- What happens if you decide to reduce your CSR activities?
- Are you putting your money where your mouth is?

## 1.3. The CSR approach

You can choose a defensive or offensive approach to CSR or you can choose both. The figure below illustrates the defensive and the offensive approaches to factors relating to business, sector and society. The defensive approach involves responding to the trend, whereas the offensive approach is about creating the trend. This means that not only do you react to statutory requirements, sector standards and demands from your business partners, you take a pro-active approach to new legislation; differentiate yourself from other companies in your sector by taking the lead and engaging in a dialogue with your stakeholders.

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[1] Source: The Copenhagen Centre: Sustainable Competitiveness in Global Value Chains- *How do Small Danish Firms Behave?* 2006

The offensive approach may offer you a competitive advantage in the form of an enhanced corporate image, increased leeway and improved opportunities for attracting and retaining qualified employees.

| | Defensive | Offensive |
|---|---|---|
| Business | • Handle problems<br>• Handle requests<br>• Avoid bad publicity | • Focus on requests<br>• Establish norms<br>• Stand out |
| Sector | • Comply with sector standards | • Go beyond sector standards<br>• Differentiate yourself from other businesses in your sector |
| Community | • Await agreements, collective agreements or statutory requirements | • Contribute to (local) community<br>• Market yourself on the basis of your contribution<br>• Create the trend |

## 1.4. Working on your own

Below are suggestions for various activities which you can continue working with at home.

**Working on you own with CSR comprises the following sections:**

1. Clarification
2. Management model

## 1.5. Working on your own 1: Clarification

There are several ways of working with CSR activities. It is important, therefore, to identify the activities which are of strategic importance to your business in particular.

### Step 1:

Identify your crucial short and long-term challenges. This involves all kinds of challenges, such as recruiting, vendor management and the cultivation of new markets. Write down three short-term and three long-term challenges!

### Step 2:

Below are a number of questions designed to identify which areas seem the most obvious for you to work with. When discussing the areas, take into consideration the challenges you noted above.

### Management, vision and values

How can you incorporate CSR into your corporate strategy, vision and values?
You may:

- Formulate CSR policies, procedures and guidelines – e.g. guidelines for specific areas such as diversity and health and safety conditions.
- Putting your social responsibility into practice – e.g. by authorising employees to make decisions and to offer them the required training which will allow them to comply with the corporate policies and procedures.
- Good management ethics – by e.g. applying standards for your corporate activities as regards lobbying, tax evasion or profit-sharing.

### Employee activities

How can your employees contribute to the business?

- Would your business benefit from diversity management? Some companies find it difficult to recruit staff. They may improve their recruiting potential by hiring older employees or workers on the fringes of the labour market.
- Would your business benefit from developing employee competences? Certain members of staff are highly specialised. If they are made redundant because of new technology, they need supple-

mentary training or re-training. This may be prevented by ensuring that employees are capable of undertaking several functions; increasing their value to the business and allowing them to retain their earnings capacity to the benefit of society. On the other hand, employees holding other jobs may require further specialisation. Particular attention must therefore be paid to individual job function and the sector in question.
- Would your business benefit from improving physical and psychosocial working conditions? Certain sectors are characterised by a high rate of sickness absence. Experience shows that if working conditions are improved and employees are offered increased influence on own job functions, the level of job satisfaction increased and the level of sickness absence decreases.

#### Customer activities

How can your business benefit from customer activities?
- Would your business gain a competitive advantage from eco-labelling your products? An eco-label may almost be a pre-requisite for entering a particular market – such as the market for paper, cleaning agents and detergents. It sets the product apart from other products in the market and offers the producer a competitive edge.
- Would your business benefit from engaging in a dialogue with your customers? Topics such as food safety and quality often make headlines. Companies in the food sector may improve customer relations and enhance customer confidence by entering into a dialogue with their customers.
- Would your business benefit from acting pro-actively to the demands of business partners? Companies whose customers are other companies often face demands of social and environmental considerations. The business may not lose customers if it adopts a pro-active approach to such demands.
- Would good business ethics increase customer loyalty? Certain companies in the plumbing sector have been accused of cartelisation and of entering into price-fixing agreements. By focusing on good business ethics, the business may acquire loyal customers.

#### Stakeholder dialogue

How can your business benefit from a dialogue with your stakeholders?
- Would your business avoid conflicts by entering into a dialogue with your stakeholders? Certain companies are criticized by their local community for being a source of noise pollution. Companies may seek to discourage such criticism by entering into a dialogue and taking ideas and concerns seriously.
- Prioritising stakeholders makes it easier to focus your efforts. Many companies depend heavily on retaining competent employees, whereas companies relying on third-world suppliers are dependent on these suppliers not acting in opposition to their values and guidelines. Which stakeholders are most valuable to your business?
- Do your customers require you to report on and communicate your CSR commitment? Companies, which count large enterprises among their customers, may be required to report on their CSR efforts.

### Community activities

How can your business benefit from community activities?

- Would you benefit from contributing to local community activities? Companies with a large number of local business partners need a good corporate image locally and may therefore contribute to local activities.
- Would your business benefit from cooperating with educational institutions? Some companies find it difficult to recruit qualified staff. Cooperation with educational institutions, therefore, may facilitate the recruitment of new employees or ensure a qualified recruitment base in the local community.
- Would you benefit from encouraging employees to get involved in voluntary work? Your employees may become proud of your business if you encourage them to get involved in voluntary work and thus to contribute to society. Perhaps the voluntary work could take place during working hours.

### Supplier activities

How can your business benefit from supply chain activities?

- Would you benefit from making community and environmental demands of your suppliers? Certain companies in the textile sector have been criticised for dealing with suppliers who use child labour. By making certain demands of your suppliers, you may try to counter this criticism.
- Would your business benefit from establishing even closer ties to your suppliers? If you offer to train the suppliers' staff in areas such as the environment, safety and occupational health and safety they may become better at meeting your demands. By cooperating with your suppliers, you may improve your relationship. The result may be an increasingly flexible and reliable supply chain.

### Environmental activities

Would your business benefit from environmental activities?

- Would you benefit from environmental management and certification? Some production companies may save resources by implementing an environmental management system. By certifying its environmental management, the business is able to document its environmental considerations to customers, employees and other stakeholders.
- Would you benefit from focusing on pollution prevention and reduced consumption? Energy, water and chemical-intensive companies may save resources by developing processes and applying machinery which consume less energy.
- Would your business benefit from developing and assessing products? Environmental considerations may contribute to developing your products and services. It may contribute towards differentiating your product or services from those of your competitors and offer you a competitive edge.

### CSR innovation

Would your revenues improve if you engage in CSR innovation?

- Is it possible to develop your products or services from a CSR perspective by including your stakeholders in the innovative process?
- Are there any environmental or social problems which your products or services may help alleviate? This may promote the market share for your products.

- Can you develop products which may assist your corporate customers in achieving their CSR goals? Such as energy-saving machines.

### Step 3:

Hopefully, you have now identified the CSR activities which may enhance your business' competitive edge.

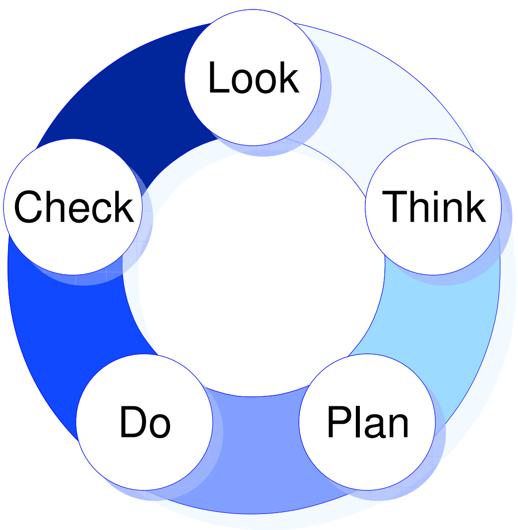
## 1.6. Working on your own 2: Management model: Management system – the CSR circle

To ensure the successful implementation of the CSR activities you can apply a simple management system. It is a very simple model inspired by quality management systems. Similar systems are applied in environmental and occupational health and safety management with varying degrees of complexity.

You can use this very simple model as a starting point and develop it in keeping with our own experiences. By following the steps of the CSR circle, management as well as staff can stay updated even though the various elements are the responsibility of others in the organisation.

Experience shows that the best results are achieved when management and employees cooperate. One of management's primary duties is therefore to consider how to include the employees in the assignments. Cooperation and active involvement of employees in the CSR project will help ensure support for the project and thus it's embedding in the business.

Moreover, it is important to decide how much time and how many resources to spend on the CSR activities. This ensures openness in terms of the scope of the CSR project and will help coordinate everyone's – managements' and well as the employees' – expectations for the project.



## Look

The first step is the mapping-out process where you focus on which CSR activities will be instrumental in handling the problems or challenges facing your business.

Depending on the challenges you face, you can apply different models. In connection with environmental and occupational health and safety activities, work routines, processes, materials and chemicals are often systematically reviewed. As for other activities, such as innovative processes, other methods may be applied in which members of staff and management jointly identify any challenges.

You can control the process by adhering to the following questions:
- Which overall challenges does your business face?
- How can CSR make a positive contribution?
- What matches your values, mission and strategy?
- Include management and employees – and other stakeholders in the process!

## Think

The second step is the assessment and prioritisation process. This is where you assess and prioritise the challenges you have identified and the related CSR activities. The most important is given top priority. Make sure to set yourself realistic goals and not to pick too complex problems for the initial project; even though this may seem quite difficult. It is important that the CSR activity becomes a positive and successful contribution to your business. At this stage you also need to define the CSR project success criteria – regardless of whether this is a small activity or a large project.

### Some good advice

- Prioritise your challenges – and elaborate on the challenges you identified during the mapping-out process
- Formulate objectives and goals to chart the course and the contents of the CSR project/activity
- Include employees; the process provides several crucial inputs and anchors the environmental activities throughout the business
- See to it that information about the project is communicated in-house to support anchoring and knowledge about the activities
- Look into how many hours and resources management is willing to allocate to the activity/project.
- Consider which activities will result in the most significant reduction in costs, increase in revenues or will solve the problems you are facing?

## Plan

The third step is about who solves what problems, how, and when. Once you have decided where to focus your efforts, you can prepare an action plan for the coming activities. If you have selected only a small project, a single sheet of paper for the management and project group will suffice to describe the project content, goals, responsibilities and resource allocation. For large projects, sub-goals, schedules, a detailed description of responsibilities and the allocation of resources for sub-activities may be added. The action plans can be both short-term and long-term.

During the planning phase, your primary duty is to prepare an action plan:
- Begin with small projects
- Set realistic goals
- Prepare an action plan and appoint individuals responsible for specific areas
- Use the existing organisation and staff.

## Act

During this stage, the specific assignments stated in the action plan are launched and completed. It is important that the implementation of the project takes into account your corporate culture, i.e. working conditions, routines, etc.

## Check

The final phase is the evaluation process where you evaluate whether you reached your goals or whether adjustments or additional projects are required.

You should regularly follow up on whether the action plan progresses as planned or whether it needs to be adjusted. Did you achieve your targets? Do parts of the system need to be changed because they do not work? – Or because authorities, customers or others make new demands?

Once you have completed your CSR project, communicate it to the rest of the world. You can do this on your website, in local newspapers or to customers in the sales situation.

# 2

# Stakeholder activities

# 2. Stakeholder activities

## 2.1. What are strategic stakeholder activities?

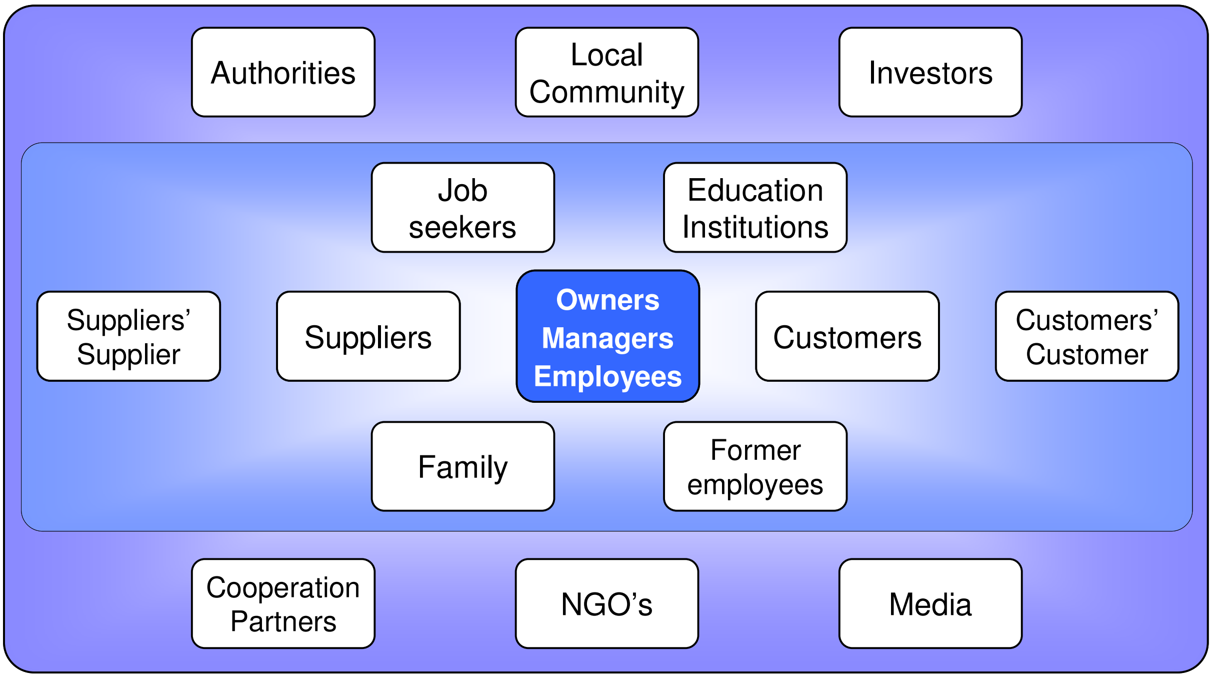
Stakeholders are parties influencing or being influenced by the decisions and actions of your business. Stakeholders are groups of people, for instance customers, employees and local communities directly influenced by the activities of your business. They may also be parties making demands on behalf of other groups or the environment which are unable to safeguard their own interests.

Dialogue with some of your stakeholders can contribute to avoiding or solving conflicts with stakeholders. This applies to both the internal dialogue between management and the various employee groups in businesses, but also to your relationship to the local community. A higher degree of openness can create an understanding of your business, and conflicts may be avoided.

Dialogue with other stakeholders, for instance your customers and users, may be used to improve your present products and services. They may also be involved in developing new and more competitive products.

The figure below illustrates some of the most ordinary stakeholders, but the list is not exhaustive. It distinguishes between internal stakeholders, i.e. your management and employees, and external stakeholders that are more or less directly connected to the business. Naturally, not all stakeholders are of equal importance to your business. Some stakeholders are relevant to most businesses, for instance employees, authorities and customers. Other stakeholders may in some situations be of overall importance, like mass media and interest groups (NGOs).

Many small and medium-sized businesses have close connections to many of their stakeholders. In a strategic stakeholder dialogue you have to determine which stakeholders are of most importance to the continued existence of your business and give them top priority.




Seen in a stakeholder perspective, CSR is about the business listening to its stakeholders and having a dialogue with them. In that way, a stakeholder dialogue may be used strategically to meet the stakeholders' expectations and demands to your business. The need for a dialogue with your stakeholders changes over time and may be determined by situations and unique in relation to a given problem which the business – or the stakeholder – encounters. Consequently, you should evaluate regularly the key stakeholders of your business and the subjects they attach importance to.
Here you may find inspiration to identify the stakeholders of vital importance to your business as well as a number of suggestions to creating a dialogue with them. Focus is on external stakeholders. There are numerous opportunities for dialogues with internal stakeholders – employees, management and owners – and a great deal is also required by law and rules like joint consultative committees and JSC s, board representation, workplace assessment, etc.

## 2.2. Working on your own

Here you can find inspiration to identifying the stakeholders that are most important to your business. Once you have identified them, there are a number of suggestions for creating a dialogue with them. Focus is on external stakeholders. There are numerous opportunities for dialogues with internal stakeholders – employees, management and owners – and a great deal is also required by law and rules like joint consultative committees and JSC s, board representation, workplace assessment, etc.

**Working on your own with stakeholder activities comprises the following sections:**
1. Identify your stakeholders
2. Evaluate how important your stakeholders are
3. Stakeholder dialogue
4. Tool to dialogue with stakeholders

## 2.3. Working on your own 1: Identify your stakeholders

To identify the stakeholders of the business you can use some introductory questions about the stakeholders' relationship to the business.

**IDENTIFY THE STAKEHOLDERS OF YOUR BUSINESS**

| | **Comments** |
|---|---|
| Which persons, businesses and organisations are influenced by your products or services? | |
| Which persons, businesses and organisations are influenced by or important to your operations? | |
| Which persons, businesses, authorities or organisations – apart from the above – may be of vital importance to your business? | |

**BELOW YOU CAN FIND A NUMBER OF TYPICAL EXTERNAL STAKEHOLDERS – WHICH STAKEHOLDERS ARE RELEVANT TO YOU?**

<table>
<tr><th></th><th>Comments</th></tr>
<tr><td>Customers, clients and other buyers of your products or services</td><td></td></tr>
<tr><td>Creditors – financial stakeholders – e.g.:<br>• Banks – sources of financing<br>• Financial institutions – e.g. mortgage<br>• Financial analysts – including auditors<br>• Insurance companies</td><td></td></tr>
<tr><td>Suppliers – from critical to ordinary</td><td></td></tr>
<tr><td>Authorities – community – e.g.:<br>• Local community<br>• Local authorities and politicians<br>• Government authorities<br>• Regulatory authorities</td><td></td></tr>
<tr><td>Unions – e.g.:<br>• Industrial associations<br>• Employers' associations<br>• Employee organisations<br>• Consumer organisations</td><td></td></tr>
<tr><td>Media – e.g.:<br>• Local and national media<br>• Television<br>• Electronic media<br>• Other public contact</td><td></td></tr>
<tr><td>Service companies – e.g.:<br>• Business partners – including e.g. consultants<br>• Researchers – including universities and other providers of training</td><td></td></tr>
<tr><td>Other stakeholders – e.g.:<br>• Competitors<br>• Social movements<br>• Lobbyists<br>• Various NGOs – including environmentalists, animal activists, human rights fighters, etc.</td><td></td></tr>
</table>

## 2.4. Working on your own 2: Determine how important your stakeholders are

Once you have identified the relevant stakeholders, the next step is to evaluate their importance to your business. You could for example ask the following questions:

| |
|---|
| • How important is this stakeholder to your success? – E.g. regarding reliability of delivery. • |
| • How can this stakeholder influence your business? – Positively or negatively? – Financial consequences? • |
| • What will happen if the demands/wishes/expectations of this stakeholder are not met? – Will it have minor or insignificant consequences – or may your image be seriously damaged? • |

You can use the table below to get an overview of the importance of your stakeholders. You use scores from 1-5 to indicate the importance of each stakeholder in relation to a specific activity or situation in your business.

See the below example of a filled in table. You can then fill in the empty table below for your business.

| Stakeholder: / The stakeholder's importance to the business: | Customers of product PQ | Supplier of product X | The bank | Customers of product AA | Auditors | Marketing – consultant/firm | Local environment authority | Supplier of product Y | The industry – organisations | Insurance | Other stakeholders |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Importance to sale/turnover | 3 | 4 | 5 | 4 | 1 | 4 | 2 | 3 | 2 | 2 | 1 |
| Importance to products | 3 | 3 | 4 | 5 | 2 | 2 | 2 | 4 | 4 | 1 | 1 |
| Importance to working conditions | 4 | 4 | 2 | 2 | 2 | 1 | 5 | 2 | 3 | 1 | 1 |
| Importance to production/operations | 4 | 4 | 3 | 3 | 3 | 3 | 1 | 1 | 2 | 1 | 1 |
| Importance to our image | 4 | 3 | 1 | 3 | 4 | 1 | 1 | 1 | 2 | 5 | 1 |
| Other specific importance … | 1 | 3 | 2 | 1 | 1 | 1 | 1 | 5 | 2 | 3 | 1 |

5 = vital /critical – perhaps a threat to the existence of the business in special circumstances;
4 = great/very great;
3 = medium/great;
2 = small/minor;
1 = none.

You can enter the stakeholders you identified above in the empty fields at the top. You can also enter other matters of importance to the business than the ones mentioned here. Then fill in the table using scores from 5-1, where 5 indicates that the stakeholder has vital importance to the business while 1 indicates that the stakeholder has no importance to the area.

| Stakeholder: / The stakeholder's importance to the business: | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Importance to sale/turnover | | | | | | | | | | | |
| Importance to products | | | | | | | | | | | |
| Importance to working climate | | | | | | | | | | | |
| Importance to production/operations | | | | | | | | | | | |
| Importance to our image | | | | | | | | | | | |
| Other specific importance: | | | | | | | | | | | |
| | | | | | | | | | | | |
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| | | | | | | | | | | | |

## 2.5. Working on your own 3: Stakeholder dialogue

Now you have a good overview of your stakeholders and how important they are to you in relation to specific areas. This should be reflected in your dialogue with the stakeholders. Please note that the importance also depends on the stakeholders' expectations to you.

As regards the stakeholders "customers" and "suppliers", you typically have ongoing contact – for instance by way of regular meetings. However, as regards other stakeholders there are no such fixed initiatives, and some of these stakeholders may be of critical importance to you. Here you can use the following types of contact:

a) Meetings – oral dialogue
b) Written dialogue – e.g. a questionnaire
c) Information – e.g. via brochures and websites
d) Press releases
e) "Contingency plan"
f) Networks
g) Informal contacts
h) Other.

**A) Meetings – oral dialogue**

It may be a good idea to hold regular meetings with the stakeholders that are vital to your turnover, product development, crucial deliveries, etc., and such meetings should be held at fixed intervals even if only one or two meetings are needed every year. The following items may be on the agenda:

- The status of our cooperation
- Our expectations to each other. And what are the possibilities of meeting these expectations on our part/their part? Changes to expectations – e.g. new requirements/wishes?
- Should information be exchanged in this way in future? Or should changes be made?

**B) Written dialogue – e.g. a questionnaire**

Particularly businesses with many – and perhaps diverse – customers may benefit from this procedure. If some of the customers are of the type described under A above, this method cannot, however, replace regular meetings.

The advantage of a questionnaire is that you can touch on many different subjects in the same questionnaire, for instance quality, delivery, image and the environment. Be sure to design the questions and possible answers so as to ensure that you get answers to the right questions and at the same time get an opportunity to process the answers so that the information provided is expedient.

Today, questionnaires are often launched on websites so that visitors may be requested to participate in a survey questionnaire/consumer survey.

**C) Information – e.g. via brochures and websites**

This type of information is typically aimed at all people who contact the business – for instance with questions about products, services or about the business in general.

Today, many businesses have websites providing the answers to such general questions and usually visitors can also print product information, data sheets, etc., or send a request by e-mail to the business.

**D) Press releases**

The stakeholder group "Media" falls outside the above categories, because only a minority of businesses have a need/possibility for ongoing contact with the press.

Typically, press releases are used to inform about new products, new – or changed – business partners, changes to financial matters – for instance change of ownership, notice about staff changes, etc. Depending on the need of your business, this information targets for instance local media, national media, etc.

If the business prepares "non-financial accounts", such as environmental reports, ethical accounts, etc., they may be distributed together with a press release.

**E) "Contingency plan"**

For some stakeholders of the type "Media" – for instance in cooperation with an NGO – a press release is not always sufficient. Thus, you may need other solutions. It may be a good idea to draw up a "contingency plan" for actions in the event of unexpected crises or cases:

- How to deal with for instance poor media coverage of products, services or marketing in a broadcast consumer programme?
    - Who will defend the business?

- What type of information should the relevant person bring along?
- How far should you go in terms of acknowledgement, compensation, refusal, etc.?

#### F) Networks

At present, there are numerous opportunities to participate in formal networks or knowledge-sharing groups where relevant problems may be discussed with people having the same fields of responsibility. Many organisations offer this type of service which is also available in local networks – for instance established by a local/regional commercial centre. Another type of network calls for participation in lodges that may be significant to local community cooperation.

#### G) Other types of contact

There are of course other methods of contact with stakeholders. Some of the below methods may be interesting:

- Informal contacts – e.g. social events – may be a useful way to establish contact to people or groups that are interesting for your business.
- Open house – for instance if you need to have good relationships with your physical neighbours.
- Involvement in events in the community – your business may organise a regional soccer tournament.
- Hotlines – particularly interesting for businesses providing services to remedy utility supply problems, or providing domestic and cleaning services, etc. These areas are not necessarily related to CSR.
- Advertisements – may also be used in specific situations where for instance a message should be delivered to a special (professional) target group, local population or the like.
- Websites and regular (optional) newsletters may also keep customers and other stakeholders informed about your work with CSR.

## 2.6. Working on your own 4: Tools to dialogue with stakeholders

The following pages describe a dialogue tool that you can use to enter into a dialogue with your stakeholders. The purpose is to determine how your stakeholders evaluate the way you handle various problems compared to how you evaluate your efforts. This tool can be used in a dialogue with your stakeholders to assess and evaluate expectations and focus areas.

The tool may form the basis for either oral or written dialogue. You can always consider whether the daily contact to your stakeholders works best in another way.

On the next page you find an example of how you can identify the difference between your own and your stakeholders' evaluation of your efforts in various areas. On the last page you find an empty chart that may serve as inspiration if you want to select your own subjects and continue with this work.

**Guidelines and procedure**

1. You decide whether you want to have a dialogue with more stakeholders at a time or a dialogue with each individual stakeholder.
   You decide which stakeholders you want to have a dialogue with and how.

2. Identify the subjects you want your stakeholders to comment on. You decide which subjects you want the stakeholders to answer questions about.
   - If you want to have a dialogue about the same subjects with a large group of stakeholders, it may be an advantage to ask them questions about general subjects.
   - If you want to have a separate dialogue with each individual stakeholder, you may decide to discuss various subjects with different stakeholders.

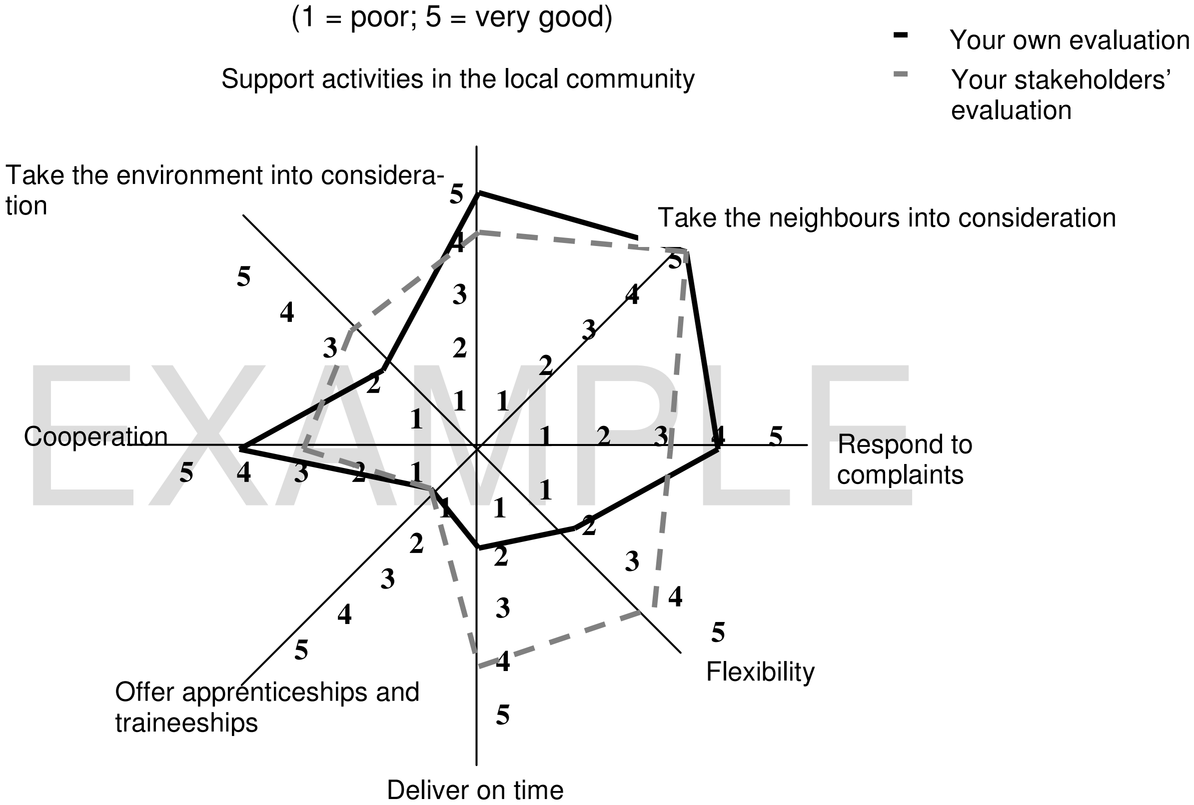
3. Prepare a chart as shown in the example with a number of axes corresponding to the subjects you want to discuss. The more subjects, the more complicated the chart.

4. Fill in your own evaluation in the chart. When you have received the answers from the stakeholders, you may compare the results.
   - You can use a flip chart, an overhead projector or enter your own and the stakeholders' answers into the same chart.
   - You can see if the result of your own evaluation deviates from that of the stakeholders.

5. It is important that you take the stakeholders' comments seriously once you have asked them to give their comments. The tool therefore forms the basis for the dialogue. If you enter into a dialogue about the result with your stakeholders, you already take them seriously.
   - If, like in the example, the result of your evaluation and the stakeholders' evaluation of your efforts differ, this may be a good starting point.
   - For example, if you are very good at things which the stakeholders give low priority (e.g. to respond to complaints), but not as good at the things which the stakeholders give high priority (e.g. to deliver on time), you may consider shifting your focus.

6. When the dialogue ends, there are often some tasks that need to be carried out. Since follow-up and evaluation of the effect of the dialogue are important, it may be an advantage if you schedule when to repeat the process with the stakeholders.

How good are we in these areas?
(1 = poor; 5 = very good)




How important is it to you?
(1 = Not important; 5 = Very important)

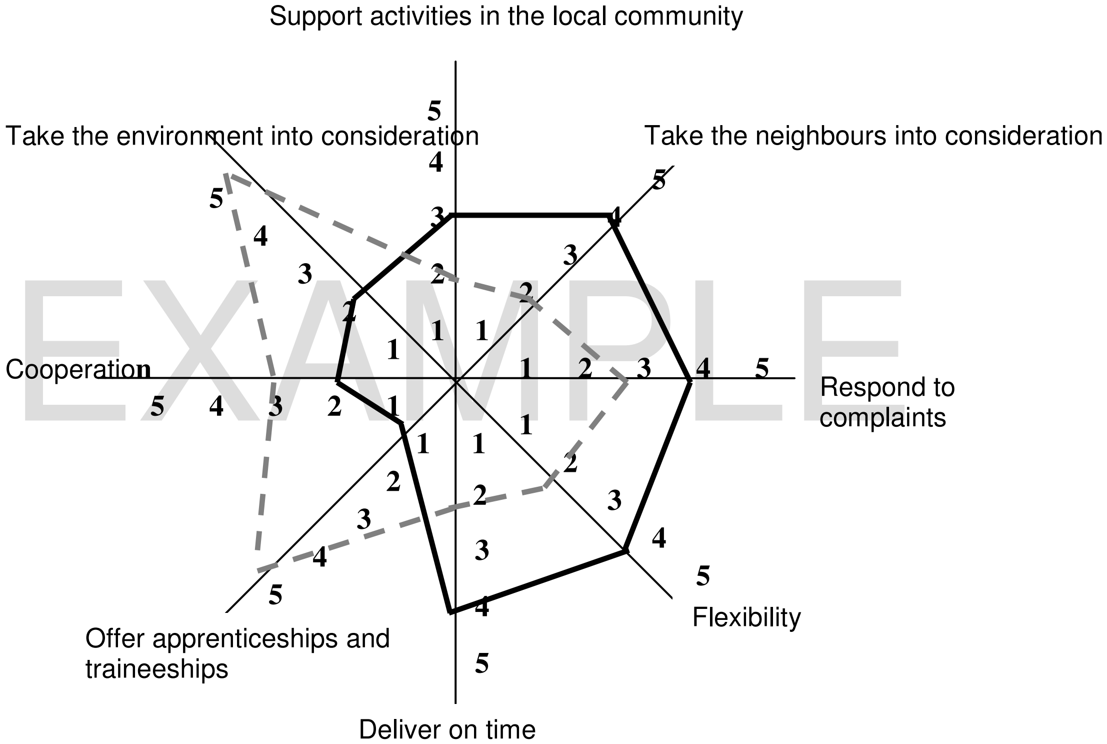
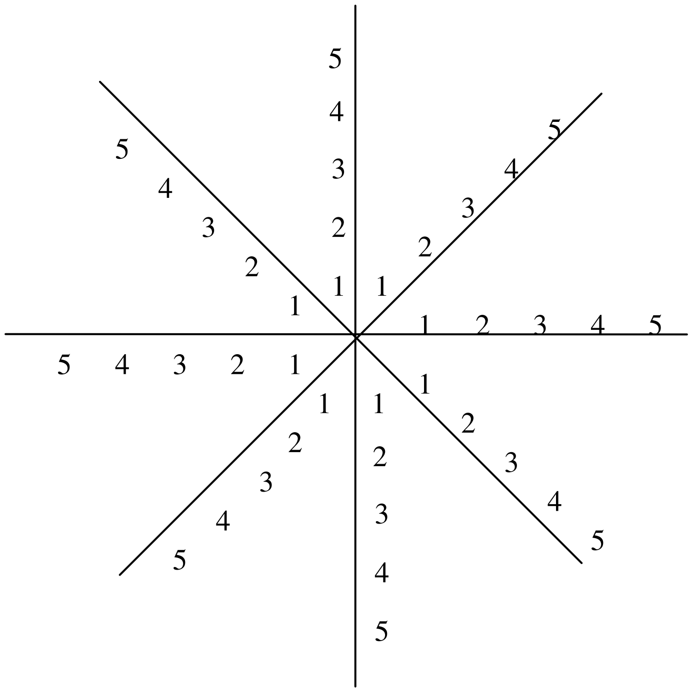
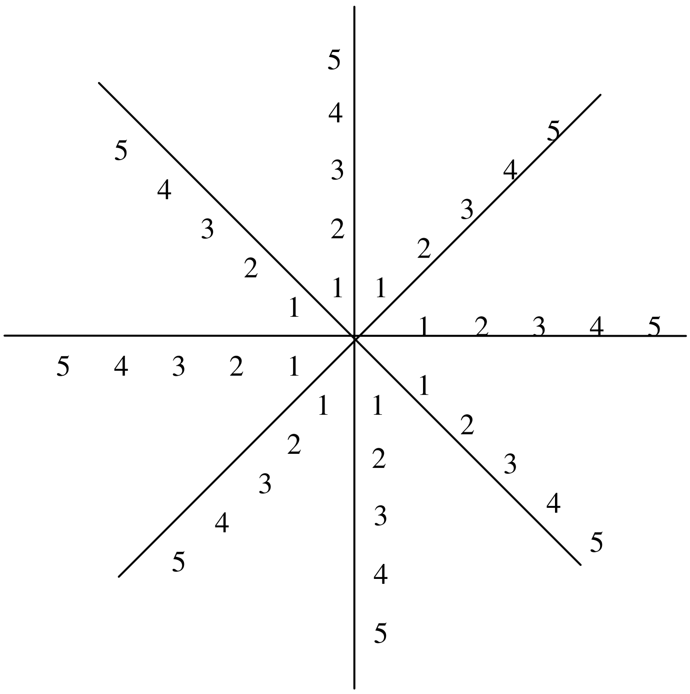


**Chart for use by your stakeholders – and yourself**

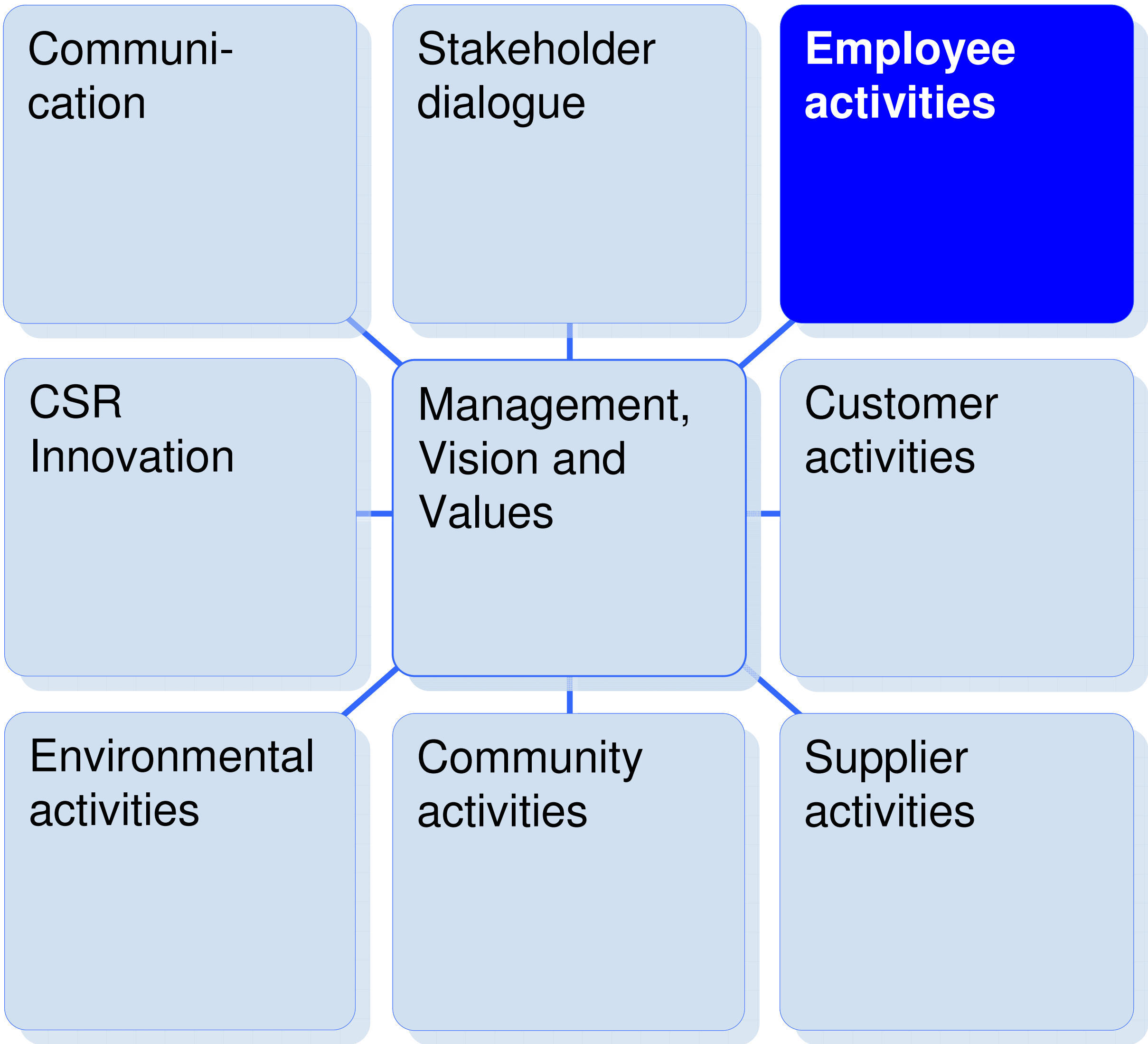



How important is it?
(1 = Not important; 5 = very important)



# 3

# Employee activities



# 3. Employee activities

This chapter of the handbook deals with CSR activities for the employees of the business. Employee activities mainly comprise activities related to physical and psychosocial working conditions, welfare analyses, human resource development and the entire area dubbed ‘The Socially Inclusive Labour Market’ – including activities concerning disabled people, older employees, sickness, health and integration.

**According to a TNS Gallup survey**, employee activities are the most widespread CSR practice undertaken by Danish businesses. 54% of the responding businesses in the survey have activities in the employee area, and three in four of the businesses with such activities work with continuing education, skills development and/or re-training of employees.

*Survey of CSR activities among small and medium-sized enterprises*

**Please observe:**
The information in this chapter is related to Danish conditions, laws and regulations, and it is most certainly different from the conditions in other countries

A substantial number of the activities in this area fall within the cooperation agreement, and the business must therefore submit all proposals for CSR-related employee activities to the Joint Consultative Committee (JCC) for debate and decision-making. The rules governing the establishment of a JCC and its responsibilities are set out in the Cooperation Agreement between the Danish Employers’ Confederation and the Danish Confederation of Trade Unions.

### Rules on joint consultative committees and safety committees

According to Danish legislation businesses employing 35 or more people within the same geographical unit are required to set up a joint consultative committee if proposed by either the employer or a majority of the employees. The number of employees is determined by including all staff performing non-management functions, including apprentices and young workers.

Businesses of fewer than 35 employees, but with a staff of at least 10 employees, are required to establish a safety organisation to work for health and safety in the business. The safety work is undertaken in cooperation between management and employees. The safety organisation will:

- Perform a workplace assessment (WA)
- Ensure observance of health and safety provisions
- Report and examine industrial accidents and injuries.


*The safety committee helps balance the requirements for the business with the employees’ skills and opportunities.*

A safety group must be set up for each department or area of activity. In businesses of more than 20 employees a safety committee coordinates the safety work.

Hence, businesses employing fewer than 10 people are under no obligation to establish a safety committee or safety organisation, but the requirement to perform a workplace assessment applies to all businesses with employees.

## Use a joint consultative committee

In businesses where a joint consultative committee (JSC) is available, this forum is the natural venue for considering strategic issues – in particular for the areas where CSR is involved. This is also because the composition of persons on the JSC ensures a high degree of decision-making power. That is not always the case in the safety organisation. Moreover, the cooperation agreement clearly specifies a number of areas to be handled by the JSC.

The JSC's overall responsibility is to develop the cooperation throughout the business for the benefit of the business at large and the individual employee. The JSC does this by:

- following and developing the daily cooperation and involving as many people as possible in this work;
- providing and maintaining just and favourable conditions of work and employment and increasing the welfare and safety of the employees;
- giving the employees a better understanding of the situation of the business in regard to operation, finances and competitiveness.

The JSC – according to the agreement – needs to be consulted on various matters to perform its tasks. Some of these tasks concern conditions in connection with the introduction of new technology, which used to be of strong relevance, but there are some fundamental areas that are very relevant in a CSR context. They include the following tasks, to mention a few:

- To organise principles for local conditions of work and welfare as well as principles for the business' staff policy in relation to staff groups represented in the JSC's group b.
- To exchange views and consider proposals relating to guidelines for production and work processes and the implementation of major business restructurings.
- To combine and coordinate all cooperation activities. In that connection, the JSC can initiate the preparation of analyses and reports, which may provide a basis for the committee's future work.
- To set up standing or ad hoc sub-committees – for instance a department committee, technology committee, training committee, staff cafeteria committee, etc. – and ensure, before launching a sub-committee, that a detailed description of its work tasks is provided.

## WA – Workplace assessment

As mentioned, and according to Danish legislation, are all businesses with employees required to perform workplace assessments. This is laid down in Part 4 (General obligations) of the Danish Consolidation Act on Health and Safety at Work, which also states that a WA must be performed at least every three years. The safety organisation of the business is responsible for the WA.

A WA must include the following elements:

1. Identification and survey of health and safety conditions in the workplace
2. Description and assessment of the business' health and safety problems
3. Prioritisation and formulation of an action plan for solving the business' health and safety problems
4. Guidelines for following up the action plan.

It should be noted that a WA is primarily intended for handling and describing physical working conditions. The area "Physical working conditions" in the WA contains details about matters such as the allocation of working hours as it is physically straining to work evening or night shifts or varying hours, about monotonous repetitive work and about violence and bullying. It contains no requirements for appraisal interviews, welfare analyses or the like.

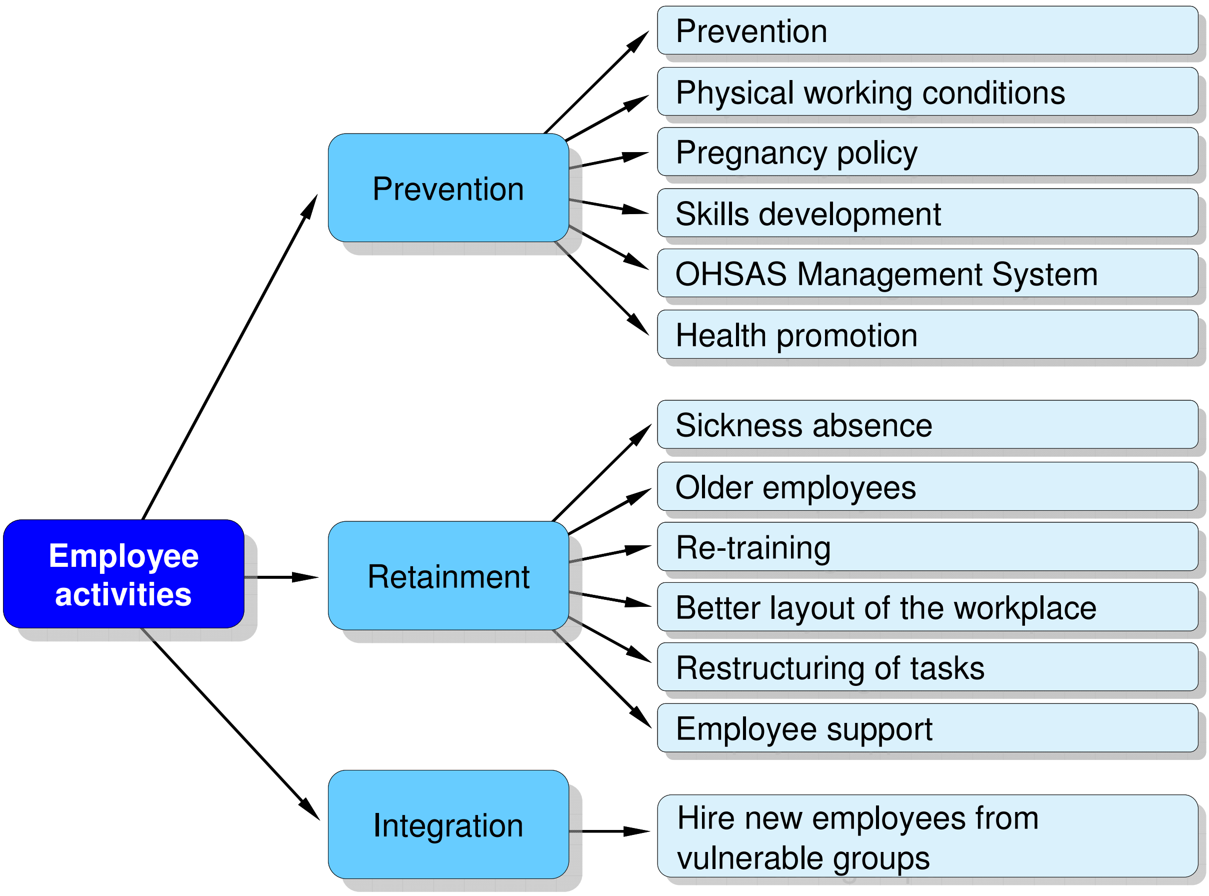
**How to work with employee activities**

CSR activities for employees are, as a general rule, relevant to all companies. However, employee activities may be of special relevance in situations like these:

| Problem | Proposed solution (of several options!) |
|---|---|
| • Difficulties in attracting new employees<br>• Difficulties in retaining employees and/or many older employees<br>• Health-impairing working conditions<br>• Stressful working conditions<br>• Much sedentary work<br>• Problems of high sickness absence | • Alternative recruiting strategies<br>• Activities for retaining older employees – for instance an older employees policy<br>• Occupational health and safety management<br>• Courses/training in stress management<br>• Variation in work tasks – greater flexibility among employees<br>• Health strategies, absence interviews and strategies |

## 3.1. What are strategic employee activities?

Employee activities can be classified as shown in the figure below:



## Prevention

CSR in the field of employees is a question of taking **preventive action** through health and safety conditions, for instance by reducing both short and long-term sickness absence and strengthening initiatives to avoid accidents and job-related health impairment. Prevention in the workplaces ensures that the maximum number of employees retain their full earnings capacity throughout their lives. Prevention also means measures to improve physical and psychosocial working conditions. This can be done by avoiding monotonous repetitive work, promoting health in the workplace or combating bullying and harassment. Besides, as a business you can help your employees balance working life, family life and leisure time, for instance by offering them flextime or telework arrangements.

### Roles for prevention

Everyone in the business contributes to trusting and constructive dialogue and cooperation. Depending on whether you are a manager, shop steward, safety representative or ordinary employee, it may be expedient to focus on a range of special circumstances.

### Manager's role

- ✓ Managerial responsibility involves awareness of physical and psychosocial working conditions and, hence, preventive action against sickness absence.
- ✓ It is important for the operation of a business that the manager is involved in the employee's welfare and wants to be the prime mover in the implementation of a staff policy or practice to support such a policy.
- ✓ The manager must communicate his/her intentions and attitudes clearly and unambiguously and be determined to cooperate and act.
- ✓ It is important that the manager acts as the policy/practice prescribes for the manager, but also that the manager acts and participates as desired.

### Shop steward's and safety representative's role

- ✓ The safety representative in the business must help monitor and verify that preventive action is taken in the occupational health and safety field.
- ✓ The safety representative, together with the shop steward, must serve as the link between the employees and management in connection with steps to develop, implement and follow up on a staff policy/practice and, in that manner, ensure preventive action against sickness absence.
- ✓ The safety representative and the shop steward must be aware whether new production assignments and/or an organisational change can engender new problems of a preventive nature.

### Employee's role

- ✓ The employee must participate in the cooperation to formulate a staff policy/practice that can have a preventive effect as health and safety conditions are essential for the day-to-day business.
- ✓ It is important to take into account the employees' attitudes and values as it is mainly the employee's actions that show whether the policy is possible/relevant in practice.
- ✓ It is important that the employee, like everyone else, does his/her best to act as intended, both in his/her own interests and in the interests of the employee's colleagues.

## Retention

CSR in the field of employees is also a question of **retaining** staff. Retention means that a business and an employee have agreed that the employee can stay in employment although the employee is absent from work due to acute or long-term stress or sickness and, consequently, reduced capacity for work. Retention is a core element of employee activities and highly relevant to focus on during these years of low unemployment and expectations of smaller working-age populations. There are several good reasons to implement a retention strategy, both for the employee, the business and society at large. The employee will maintain his/her affiliation to the labour market and continue to obtain professional, personal and financial benefits. The business will maintain a valuable employee, retain competences, create favourable health and safety conditions and often gain a financial benefit from the process. Society will maintain its workforce, avoid exclusion, achieve a flexible, safe and healthy labour market and gain an economic benefit.

## Roles for retention

### Manager's role

- ✓ It is important to extend a message of care and a wish to discuss the situation when the daily manager approaches an employee who is affected by stress/sickness.
- ✓ Managerial responsibility involves taking the necessary initiatives while paying attention to the need for preventive measures if an employee's health problems can be linked to physical or psychosocial working conditions.

### Shop steward's role

- ✓ The shop steward and safety representative in the business contribute to agreeing procedures for how and when the business reacts to sickness and absenteeism.
- ✓ The shop steward can help ensure the colleagues' support and understanding when it comes to the solutions identified to retain a colleague who suffers a sickness.
- ✓ Close cooperation with management can ensure the best possible and most sustainable solution for the individual employee for the benefit of everyone.

### Employee's role

- ✓ It is important to participate actively in finding a solution. To remember to talk about the employee's own situation, the opportunities available and know where to obtain guidance.
- ✓ It is essential for a sick employee to know who to contact in-house to discuss difficulties and who to contact and draw on among the external business partners. Finally, it is important to use the persons in whom the employee has confidence, for instance the employee's trade union, general practitioner or others.

## Integration

Integration is a question of promoting access to the labour market for those excluded. The declining unemployment rate makes it necessary for businesses to use all resources available, regardless of sex, age, cultural background, reduced capacity for work, disability, etc. Integration through new employment may for instance be accomplished by contributing to the integration of people through employment in the Danish labour market, by hiring people with disabilities and by hiring people who find it difficult to gain access to the labour market due to long-term unemployment, reduced capacity for work, cultural background, etc.

## 3.2. The effect of employee activities[2]

Businesses that have introduced employee activities generally observe a positive effect on their competitiveness and bottom line. The effect is particularly strong among businesses that have offered their employees continuing education, skills development and/or re-training and improved physical and psychosocial working conditions.

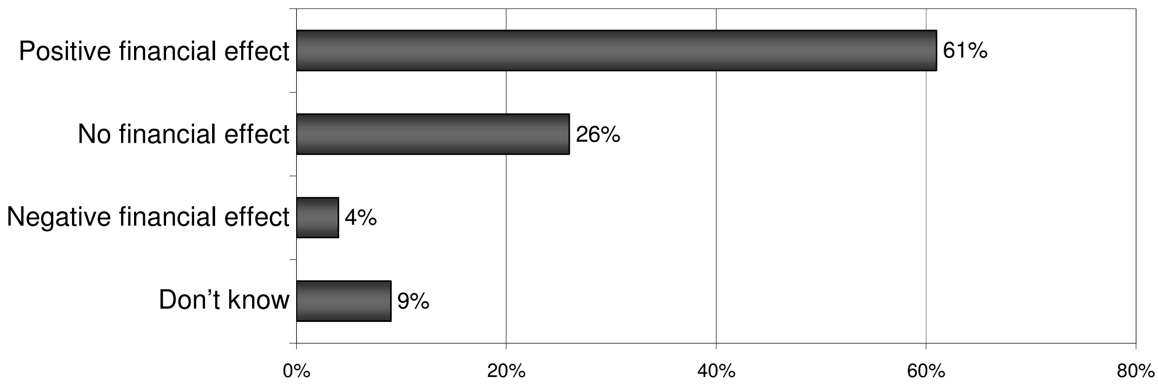
The services offered by the businesses depend on the employees' performance.

- ✓ Good physical and psychosocial working conditions *result in*
- ✓ improved employee welfare, *and therefore*
- ✓ improved performance, which ultimately shows in the *bottom line*.

The skills and abilities of businesses have often evolved from experience. Therefore, it is often an advantage to

- ✓ Retain older employees with core competences, enabling the business to
- ✓ maintain this experience in the business as long as possible and, in that way,
- ✓ optimise performance, which ultimately shows in the *bottom line*.

### Financial benefit




The question was: If you compare the proceeds from your societal commitment at employee level with the cost, is it your opinion that the activities have an overall positive or negative effect on total financial performance (your bottom line)? *Financial effect of CSR activities at employee level. Source: TNS Gallup. [The survey is based on answers from Danish small and medium sized companies. It can be replaced or supplemented with other surveys.]*

Six out of ten businesses that work with employee activities have observed a positive effect on their overall financial performance – for instance reduced absence due to sickness among employees as a result of a health policy. Moreover, employee satisfaction can pave the way for a lower rate of employee turnover and, therefore, lower expenses for recruitment and advertising. Employee activities can also reduce sickness absence among employees, which may offer a direct financial benefit.

### Reduced replacement of the workforce/increased employee loyalty

Many businesses that work with employee activities have observed a positive effect on the possibility of attracting and retaining qualified labour. This is mainly easier for businesses that have offered their

[2] Danish Commerce and Companies Agency and People & Profit Phase 2 report: "Survey of CSR activities among small and medium-sized enterprises"

employees continuing education, skills development and/or re-training, made an effort to retain their own employees, improved physical and psychosocial working conditions, created a balance between working life, leisure time and family life and introduced social activities for the employees. Employee activities can also produce a higher competence and knowledge level among the employees.

### Marketing of the business

Many businesses that work with employee activities have observed a positive effect on the general reputation of the business – both among the employee and outside the business.

## 3.3. What do the others do?

[The cases is Danish and can be replaced by national examples on employment to prevent social exclusion, about health promotion or other relevant cases]

**HOLM NIELSEN A/S**

Holm Nielsen A/S is a business that offers work and services within a variety of building sector segments. The business has about 40 employees. Holm Nielsen A/S works actively to prevent social exclusion by hiring marginalised groups and pursuing a "soft" staff policy where the individual employee is at the centre of attention.

*"If you give people a chance, that's something they remember. This means our social responsibility lays the foundations for talented and loyal employees. And when the employees are dedicated to their work, it improves performance in bottom-line terms",* says Kurt Holm Nielsen, who owns the painting and constructing business.

**I/S AMAGERFORBRÆNDING**

I/S Amagerforbrænding employs a staff of 142 people. I/S Amagerforbrænding has managed to make health promotion an integral part of its corporate culture. Both management and the employees agree to engage in health promotion activities.
It has become easier to talk about health and take health-improving measures – both for the individual and for the general health conditions of the workplace. The employees have a sense of ownership and have therefore accepted the introduction of health promotion. One of the reasons is that they have themselves played a role in the choice of activities to be launched.
Today the employees know each other better, and both their team spirit and cooperative skills have been strengthened.

## 3.4. Some good advice

- ✓ Think of your business as an entity. Consider the consequences a specific initiative in, say, the occupational health and safety field has for lifestyle and CSR and vice versa.

- ✓ Think both short and long term: What problems is your business facing at this point and will it change in the future? Change in production methods, work routines, etc. may for instance influence the problems that are of relevance for your business.

- ✓ How does the activity match the culture of our business? If the activity changes the corporate culture, it may be more difficult to make everyone in the business support the culture.

- ✓ Start with specific – and preferably small/non-complex projects.

## 3.5. Working on your own

The following material contains a selection of areas that may be interesting for you to work with. The material developed for each of these areas will assist you in the process.

We have chosen the following areas:

**Working on your own with employee activities comprises the following sections:**

1. Overall analysis – what do you do – and what is relevant? – which contains a large number of questions about employee activities broken down into the three sub-areas of prevention, retention and integration. (Form 1):
2. Work with employee activities – proposal for a process. (Form 2):
3. Focus on health promotion in the workplace
    a. Healthy food
4. Focus on physical and psychosocial working conditions
    a. Sickness absence
    b. Stress
5. Focus on retention of older employees
    a. Retain older employees in the business
    b. Examples from businesses
    c. Support schemes and information
6. Focus on diversity in the business
    a. Mentor scheme
    b. Hire employees from other cultural backgrounds
7. Health and safety management in small and medium-sized enterprises

All areas generally contain a type of analysis with a view to assessing the scope and, if applicable, problems of the area. Besides, they contain references to addresses and places – including web sites – where additional information can be obtained. In a few cases, there are also examples from businesses with experience in the relevant area.

If support schemes are available, i.e. the possibility of obtaining financial assistance for an activity, information will also be provided about where to apply for this assistance and/or obtain the application material.

## 3.6. Working on your own 1: Overall analysis

The purpose of this analysis is to give you an opportunity to create an overview of employee activities of CSR relevance that are already in progress and an opportunity to mark an activity as relevant for your future work. The need to work with some of these activities could, for instance, also arise as a result of a workplace assessment or welfare analysis. If only one of the given examples of activities is in progress at your workplace or of relevance, you can mark the example/examples.

**PREVENTION**

| Do today | Relevant in the future | |
|---|---|---|
| | | **Health promotion** |
| ☐ | ☐ | Healthy food<br>Examples of healthy food are: Healthy cafeteria food, fruit scheme, slimming club in the workplace |
| ☐ | ☐ | Exercise in the workplace<br>Examples of exercise in the workplace are: Short breaks with physical exercises, physical training classes, establishment of a fitness room, contribution towards fees for membership of sports clubs, participation in sporting events for businesses. |
| ☐ | ☐ | Smoking policy<br>Examples of what a smoking policy can include: Guidelines for where and when smoking is allowed, smoking ban, special facilities for smokers, smoke cessation courses |
| ☐ | ☐ | Alcohol policy<br>Examples of what an alcohol policy can include: Guidelines for alcohol consumption during working hours, routines for how to deal with an employee's alcohol problem, services for alcohol misuse treatment |
| | | **Physical working conditions** |
| ☐ | ☐ | Avoid physically straining working hours - for instance evening/night hours and varying hours<br>For instance by limiting the number of consecutive night shifts and early morning shifts or by obtaining influence on the planning of your working hours |
| ☐ | ☐ | Avoid monotonous repetitive work, which may involve standing and sitting in the same position for extended periods of time |
| ☐ | ☐ | Avoid monotonous repetitive work, which may involve using the same tool for extended periods of time |
| ☐ | ☐ | Improved indoor climate<br>For instance by taking steps to ventilate the room to outside air, avoid setting radiators at an excessively high temperature, avoid exposure to cold and draught and avoid second-hand smoke |
| ☐ | ☐ | Prevention of mouse injuries<br>For instance by using the mouse as little as possible – use keyboard shortcuts instead |
| ☐ | ☐ | Reduction of noise nuisances<br>For instance by turning down the volume of the telephone or setting it on silent, setting the computer on silent, operating noisy machines early or late in the day when a limited number of employees are present |
| | | **Psychosocial working conditions** |
| ☐ | ☐ | Avoid stress<br>Examples of initiatives to avoid stress: Increase the employees' influence on their work situation, give support from management to the individual employee, secure coherence between requirements for work performance and the employee's work pace |
| ☐ | ☐ | Motivation at work<br>Examples of initiatives to improve motivation: Ensure development opportunities for the employees in their work, ensure that the employees are satisfied with their work situation |
| ☐ | ☐ | Balance between working life and private life<br>Examples of initiatives for an improved balance: Family-friendly workplace, flextime, telework arrangements, possibility of part-time employment, possibility of bringing along children to work, possibility of family welfare days, for instance the right to stay home on the first day of a grand-child's sickness |
| ☐ | ☐ | Avoid conflicts in the workplace<br>Examples of how to avoid conflicts: Create clear roles among the employees or give the employees tools for conflict resolution |

| Do today | Relevant in the future | |
|---|---|---|
| ☐ | ☐ | Avoid bullying and harassment<br>For instance by training people in how to handle bullying or harassment situations or by formulating an anti-bullying policy |
| ☐ | ☐ | Social events<br>You can for instance offer social events by organising staff parties or cultural events such as visits to theatres, art museums or cinemas |
| | | **Pregnancy policy** |
| ☐ | ☐ | Pregnancy policy<br>Examples can include: Possibility of breaks, flexible working start and finish times – for instance in case of morning sickness, exemption from inexpedient work tasks – heavy lifting, long hours of standing/walking or reduced hours |
| | | **Skills development** |
| ☐ | ☐ | Development of professional/general competences<br>This can be achieved through individual courses, joint courses, exchanges to another department or business, training programme in businesses |
| ☐ | ☐ | Development of professional/specific competences<br>This can be achieved through continuing education under the Vocational Education and Training programmes, the Advanced Adult Education programmes, etc. or through presentations in the business |
| ☐ | ☐ | Development of personal competences<br>This can be achieved individually through coaching sessions or jointly through teambuilding activities |
| | | **Occupational health and safety management** |
| ☐ | ☐ | Formulation of an occupational health and safety policy<br>An occupational health and safety policy can for instance include: The overall duties of management, the employees and the safety organisation, values, ethics, culture and attitudes to OHS initiatives as well as objectives, targets, milestones, strategies, success criteria and priorities |
| ☐ | ☐ | Introduction of an occupational health and safety management system<br>An OHS management system will mainly be used to ensure that health and safety problems are identified and solved |
| ☐ | ☐ | Preparation of an occupational health and safety report<br>A report may for instance contain the business' health and safety initiatives, principal health and safety conditions, health and safety problems, if any, and accidents at work |
| ☐ | ☐ | Occupational health and safety certification<br>For instance through the OHS certification system of the Danish National Working Environment Authority or according to the DS/OHSAS 18001 certification standard |

## RETENTION

| Do today | Relevant in the future | |
|---|---|---|
| | | **Sickness absence policy*** |
| ☐ | ☐ | Sickness absence policy<br>A sickness absence policy includes guidelines for: when the business demands a physician's statement, how often the employee is required to contact the business in case of long-term sickness absence, how the business stays in contact with the sick employee |
| ☐ | ☐ | Sickness absence interviews |
| ☐ | ☐ | Sickness absence statistics<br>Sickness absence statistics may include statements of the business' average sickness absence or the average duration of sickness absence |
| | | **Older employees*** |
| ☐ | ☐ | Retention of older employees<br>Retention of older employees can for instance be achieved by holding progressive retirement interviews, targeting continuing education at older employees, reducing older employees' working hours through part-time employment, giving older employees an opportunity to perform less demanding work tasks or ensuring that their knowledge and experience are passed on to colleagues in the business |
| | | **Re-training of employees** |
| ☐ | ☐ | Test of capacity for work in another job function<br>An example of a test of capacity for work can be an employee in the warehouse who is transferred from heavy to light physical work |
| ☐ | ☐ | Courses and training<br>For instance a PC driving licence or the training of another employee in a new job function |
| | | **Reorganisation of tasks** |
| ☐ | ☐ | Restructuring of work tasks<br>For instance exemption from strenuous work, job rotation and changes in work routines, temporary shift to other work tasks |
| ☐ | ☐ | Change in working hours<br>Examples of this may be shorter hours for the employee (permanently or for a limited period) and the possibility of taking a day off or going home early |
| ☐ | ☐ | Gradual return to work after a period of sickness<br>Examples of this may be that the employee starts with a 20-hour working week |
| | | **Improved design and layout of the workplace** |
| ☐ | ☐ | Changes in the design and layout of the workplace<br>Examples of this may be the acquisition of ergonomic chairs or particular aids |
| ☐ | ☐ | Flexible working hours<br>Examples of this may be telework arrangements or the possibility of early working start and finish times |
| | | **Support to the employee** |
| ☐ | ☐ | Assistance in the event of a personal crisis<br>The assistance can for instance be in the form of a leave for an agreed period of time, the possibility of part-time work or an offer of psychological treatment for an employee |
| ☐ | ☐ | Support to employees who return to the workplace after an extended period of absence<br>Examples of this can be regular interviews between the employee and his/her immediate superior or a scheme under which the employee generally works full time, but with the option of going home early each day |

* Both “sickness absence” and “older employees” contain elements of prevention, but are placed under retention as both activities ultimately require the business to do an effort to retain its employees in the workplace.

**INTEGRATION**

| | | Integration |
|---|---|---|
| ☐ | ☐ | Recruitment of employees from vulnerable groups<br>This can for instance be achieved by hiring: people with reduced capacity for work, people of other ethnic origins, people who have been long-term unemployed, people who have inadequate social skills |

## 3.7. Working on your own 2: Process for employee activities

This form gives you a proposal for the things you can examine and the questions that may be relevant to ask when working with CSR employee activities. The questions are listed in accordance with our suggestion for a logical order.

| Order in the process | Comments |
|---|---|
| **1. What is your motivation to work with employee activities?**<br>• What are the challenges facing your business? Would you for instance like to attract employees, increase the general welfare in your business, ensure that all resources of the business are used to capacity, etc.?<br>• Would you like to promote a particular part of your corporate culture? | |
| **2. What is the activity that best meets your needs?**<br>• How do you best address the challenges your business is facing?<br>If, for instance, you have a high sickness absence and an objective to reduce it, you can focus on holding welfare interviews and drawing up a procedure for how to stay in contact with an employee who is absent due to long-term sickness. | |
| **3. Where will you gain the maximum benefit from your efforts?**<br>• When you choose an activity, it is important to weigh efforts against benefits.<br>• It is essential to optimise working conditions for the benefit of the business at large.<br>• It is a good idea to choose an area where you build on something that is already well-functioning in the business.<br>When you choose the activity you want to do, it is advisable to look at the initiatives you have previously introduced successfully in the business and the steps you took on that occasion to make it successful. | |
| **4. What barriers exist in your business?**<br>It is important to take into account your own corporate culture when choosing to do an activity targeted at the employees. Some employees may perceive it as intervention by the business in their private affairs if you launch health-promoting activities such as healthy food or smoke-cessation courses.<br>• How is the tone of the business?<br>• How do you communicate in the business?<br>• Informal oral communication<br>• Written communication at meetings<br>• Are there any differences in forms of communication between the departments of the business?<br>Pay attention to conflicts that may occur as a result of your activities in the em- | |

| Order in the process | Comments |
|---|---|
| ployee area – it is important that you realise that changes may provoke conflicts and that you are prepared to deal with them. | |
| **5. Be open to the employees about the intentions you have for performing the activity**<br>• Use the existing organisation – for instance the Joint Consultative Committee. If you have a Joint Consultative Committee, the committee should always be in on all changes to the staff policy.<br>• No doubt you already have procedures in place designed to handle issues relating to employee activities. You may for instance start with the existing workplace assessment and expand it.<br>• It inspires greater confidence from the employees if they are involved in the project and know the management's intentions. Openness is crucial to ensuring the success of the activity and the employees' support. Openness also implies:<br>  o Explaining who the target group for the activity is<br>  o Being open about the agreements concluded between management and the individual employees. | |
| **6. What practical steps do you take?**<br>• Determine how you would like to deal with situations when they occur and establish fixed procedures. E.g.:<br>  o To whom should employees call in sick?<br>  o Is it necessary to appoint someone who is responsible for intervening if an employee shows signs of stress, has an alcohol problem or the like?<br>• Will you train mentors who can help new employees gain access to the workplace, for instance **employees** from other cultural backgrounds, or employees who have been long-term unemployed?<br>• If, for instance, an employee works reduced hours for a period, who will then take over his/her tasks? Will you use the services of temporary employees or prioritise the tasks?<br>• Make sure to communicate with the colleagues<br>  o If agreements are concluded between an employee and management, it is important also to take into account how the agreement affects the colleagues. It is essential to involve the colleagues and to tell them how you intend to address the resource problem. | |
| **7. Evaluate the activity**<br>When you perform an activity, it is important to consider the following aspects:<br>• How will you follow up on the activity?<br>  o It may be a good idea to set measurable targets you want to achieve<br>  o It is important that you appoint a person responsible for following up on the activity on a continuous basis. It is also a good idea to set a date for the evaluation of your activity.<br>• How do you want to carry on the activity?<br>  o If the activity is deemed a success, you may consider including it on a permanent basis in your day-to-day routines.<br>You may also consider whether to amend the activity in certain areas. | |

## 3.8. Working on your own 3: Focus on health promotion in the workplace

Issues such as sickness absence, the discontinuation of work and the return to work are under the influence of numerous factors related to working conditions, health, lifestyle and sociodemographics (sex, age, education and financial position). Whereas scientists agree on the significance of some of these factors, they are not able to explain the interrelationship between all the factors.

### Health-promoting initiatives

The promotion of health at the workplace implies a closer look at your health and safety conditions and your CSR activities. Health promotion in the workplace is three-pronged:

| HEALTH PROMOTION IN THE WORKPLACE | | |
|---|---|---|
| **Lifestyle**<br>Such as smoking, diet and exercise | **Health and safety conditions**<br>Such as the design and layout of the workplace, noise and psychosocial working conditions. Good physical and psychosocial working conditions are important to the health and welfare of the employees. Monotonous work and health-impairing working conditions as well as severe physical pressure are factors which are detrimental to our health. Likewise, it is important that the tone of the workplace is positive, that no one is being bullied, ostracised, etc. | **Social responsibility**<br>Such as absence policy, integration policy and retention policy. Such as how you handle sickness absence, whether working conditions are flexible, and whether you are willing to employ people who for some reason or other are not able to work fulltime. |

If your business or individual members of staff are to benefit from your health-promoting initiatives, the initiatives must be designed to influence employee behaviour as well as your corporate atmosphere and culture.

To build a good and healthy workplace, you have to adopt a holistic approach and prioritise your activities. That way you are sure to focus on the right areas. A holistic approach implies that you consider all relevant factors in the planning, implementation and embedding of the activities. For instance, you have to consider the potential consequences of health and safety initiatives on staff health and your social commitment and vice versa.

## Your options

Below you can find inspiration for your work with health-promoting activities:

| |
|---|
| ***1. What is the objective of your health-promoting activities?*** |
| Your health policy must match your corporate values in general (core values). You may consider in which direction you want your business to move and how to incorporate your health policy in these plans. Your objective may be to:<br>• promote employee health and welfare<br>• obtain health and safety certification. |
| ***2. Which problems are relevant to your business?*** |
| The form on preventive measures offers you an overview of the effect of the health-promoting activities you currently undertake. In addition, the form may inspire you to consider whether you would benefit from any other health-promoting activities. You should consider any activities in the context of your core business and the challenges and options you face. That way you will be able to choose the activities which will benefit you the most. |
| ***3. Where will you gain the maximum benefit from your efforts?*** |
| Consider your efforts in relation to the potential benefit. Some activities require more resources than others. Therefore, you may benefit from considering the potential effect of a given activity and comparing it to the required resources. Employee motivation is a factor as well, because the support of your employees is pivotal to the success of your health-promoting activities. |
| ***4. Are there any pitfalls and challenges to consider?*** |
| Are there any conditions specific to your business which may influence or possibly obstruct your efforts? When talking about the promotion of health with your employees, you may have to be very specific and inquire into their consumption of alcohol; an issue which may cause some opposition against your health-promoting initiatives. Disclose in advance the purpose of the personal questions, whether they can be answered anonymously, etc. |
| ***5. Incorporate the promotion of health into your day-to-day routines*** |
| When you prepare a health policy, make sure to hear your joint consultative committee. In general, the committee should be in on all changes to the staff policy. In addition, it is a good idea to use your existing organisation. No doubt you already have procedures in place designed to handle issues relating to health promotion. You may extend your existing workplace assessment to include rules on smoking or exercise in the workplace. Involve your employees and engage in a dialogue with them on any health-promoting activities in the workplace. Make sure that your employees are involved throughout the entire process and that they do not feel that they are being forced to accept something against their will. |
| ***6. Define concrete goals and an action plan*** |
| Prepare an action plan of areas on which you want to focus, Such as healthy food, smoking or exercise. Set goals for your focus areas, such as 50% of your employees exercise regularly in 12 months. |
| ***7. Evaluate the project*** |
| Appoint a person responsible for following up on the activities you initiate. And set a date for the evaluation of your activities. When you evaluate your activities you may also consider how to continue the activity. If the activity is deemed a success, you may consider including it on a permanent basis in your day-to-day routines. You may also consider whether to amend the activity in certain areas. |

## Do you want to find out more about health promotion?

[As the following links are only I Danish, your own national links regarding health promotion can be added to the list of links.]

- **National Centre for the Promotion of Health in the Workplace**
  Information in Danish on how to prepare e.g. a smoking or alcohol policy. The website also includes health and safety conditions. See www.ncsa.dk
- **Arbejdspladsens Sundhedsprofil**
  A Danish-language tool designed to help you take stock of the health situation in your workplace. The site includes information on physical, psychosocial and social working conditions. See www.ncsa.dk
- **Virksomhedens sundhedspolitik – trin for trin**
  Information in Danish which can be downloaded from www.ncsa.dk under *publikationer*
- **En sundere arbejdsplads – idékatalog**
  A catalogue (in Danish) of actual activities designed to reduce sickness absence and increase employee heath; can be downloaded from www.ncsa.dk
- **Dansk Firmaidrætsforbund**: www.dfif.dk
  Ideas (in Danish) for exercise and company sport.

## Healthy food – a source of inspiration

| | Comments |
|---|---|
| **1. What do you do today?**<br>• Do you have a lunch scheme?<br>• Do you serve free fruit?<br>• Water coolers?<br>• Other? | |
| **2. Who must take the initiative to promote healthy food at your workplace?** | |
| **3. How will your business benefit from focusing on healthy food?**<br>The level of sickness absence may be reduced. | |
| **4. How can you address the issue of healthy food?**<br>Suggested activities<br>• Talks on the issue<br>• Campaign focusing on healthy food<br>• Healthy food in the canteen<br>• Healthy packed lunches<br>• Setting up a common food/lunch club<br>• Healthy alternatives to cakes and sweets at meetings and events<br>• Water coolers to replace soft drink machines<br>• Booklets and recipes for healthy food | |
| **5. Do you need external assistance?**<br>Such as seminars or the assistance of external consultants. Will it be possible to teach canteen staff to prepare healthy food or could an external consultant give a talk on healthy lunches for the entire staff? | |
| **6. Are the financial means available?**<br>• Will the company pay?<br>• Must employees make a contribution?<br>• Is financing possible through the lunch scheme (if any)?<br>• Are there any alternative means of financing?<br>• Other? | |
| **7. How can the project be communicated to all members of staff?**<br>• Through your staff journal, the staff association, competitions, etc.<br>• How can you actively involve staff and include their suggestions?<br>• A possible kick-off event focusing on healthy food?<br>• Other | |
| **8. Who will be in charge of day-to-day follow-up?**<br>The same person who took the initiative or should you form a working group – with representatives from staff, management, canteen staff, JSC , union representative, joint consultative committee, etc.? | |

| | **Comments** |
|---|---|
| **9. How and when is the activity to be evaluated?** At for instance a staff meeting. It is good idea to set specific evaluation dates well in advance as the project may otherwise "disappear" in the humdrum of daily routines. | |

*Sources: Rambøll Management*
*NCSA: En sundere arbejdsplads – idékatalog, 2005 (www.ncsa.dk)*
*The Danish Ministry of Family and Consumer Affairs and the united federation of Danish workers: Idémappen Mad på Arbejde*

An example of a healthy food action plan designed for a small company is available in Danish in "Idémappen Mad på arbejde", published by the Danish Ministry of Family and Consumer Affairs and Fagligt Fælles Forbund, 3F. The catalogue (in Danish) can be downloaded from http://www.foedevarestyrelsen.dk/FDir/Publications/2005901/Rapport1.asp

## 3.9. Working on your own 4: Physical and psychosocial working conditions

Management and employees are jointly responsible for the physical and psychosocial working conditions through a number of initiatives based primarily on the Danish Consolidation Act on Health and Safety at Work and a number of orders and instructions, all of which are available from the National Working Environment Authority's website.

According to Danish law, a workplace assessment, consisting of a series of questions regarding the physical and psychosocial working conditions, must be performed at least every third year. On the website of the National Working Environment Authority is included numerous pointers on how to compose a workplace assessment to match the specific requirements and conditions of a particular business.

### Occupational health and safety management

Businesses looking to focus specifically on working conditions and/or which have already been ISO 14001 certified may benefit from becoming OHSAS 18001 certified, an international occupational health and safety management system specification. However, the business must also meet the following conditions:

- The business or production unit must not experience material problems related to its working conditions which may result in improvement notices pursuant to the Danish Consolidation Act on Health and Safety at Work.
- The business or production unit must have prepared, implemented and maintained procedures and prepared action plans corresponding to a correctly implemented workplace assessment.

Once these conditions are met, the business is considered equal to companies which have obtained a health and safety certificate pursuant to Act no. 442 of 7 June 2001 on health and safety certificates and is thus:

a) exempt from the obligation to maintain an occupational health service,
b) exempt from screening visits, and
c) entitled to receive and publish a green smiley, see executive order on the publication of corporate working conditions, etc. (The Smiley scheme).

Below, we will discuss sickness absence and stress in the workplace as specific focus areas.

## Where to find further information on health and safety conditions

[The links below are all Danish websites. They can be removed and National links regarding health and safety conditions can be added to the list of links instead. There is however a possibility of getting information in English from the websites in some of the links below.]

**www.arbejdsmiljoviden.dk** the website of the Danish Working Environment Information Centre. Includes information on physical and psychosocial working conditions, bullying and stress. The site also includes tools allowing you and your colleagues to test your knowledge of working conditions.

National Working Environment Authority: www.at.dk. Information on the rules and regulations which apply to your working conditions.

**The Ministry of Employment**: www.bm.dk. Further information on acts and regulations regarding health and safety conditions.

**CSR Compass** – www.csrkompasset.dk – a readily available source of inspiration for employee activities.

**www.ncsa.dk** – National Centre for the Promotion of Health in the Workplace. Information on how to prepare a smoking or alcohol policy. The website also includes health and safety conditions.

**Arbejdspladsens Sundhedsprofil** is a Danish-language tool designed to help you take stock of the health situation in your workplace. The site includes information on physical, psychosocial and social working conditions. See www.ncsa.dk

**Virksomhedens sundhedspolitik** – **trin for trin** Information in Danish which can be downloaded from www.ncsa.dk under *publikationer*

**En sundere arbejdsplads – idékatalog** A catalogue (in Danish) of actual activities designed to reduce sickness absence and increase employee heath; can be downloaded from www.ncsa.dk

**Arbejdsmiljø Indekset**. A tool used to assess your health and safety conditions. May be used to define goals for your health and safety conditions or communicate your conditions to your business partners. The tool can be downloaded from www.kpmg.dk

The www.godarbejdslyst.dk portal Information, material and tools related to psychosocial working conditions, such as bullying and stress.

## 4 a: Sickness absence

### Causes for sickness absence[3]

Below you will find a brief description of the knowledge available regarding the causes for sickness absence.

**Influence.** Employees who have only limited influence on the own work situation have an increased absence rate.
**Psychological demands.** High psychological demands such as heavy responsibility and high concentration at work may result in high absence rates. But the opposite may also be the case, where employees with high work demands have lower sickness absence. One explanation could be that some jobs involving high psychological demands are also more flexible and offer a higher degree of influence. This makes handling of high demands easier.
**Social support at work.** Employees who receive good social support at work possess more resources for handling demanding situations. Accordingly, their sickness absence rates are lower. Several investigations support this assumption. But others seem to indicate that the correlation between social support and sickness absence may be more complex.
**Job security and fairness.** High job insecurity, e.g. the fear of being fired, cutbacks and a sense of unfairness, leads to high sickness absence.
**Predictability.** If it is difficult to predict what will happen at work, the sickness absence rate will increase.
**Burnout.** For people working with other people (e.g. nurses and prison guards), it is important not to lose ones sense of commitment and become burnt out. Otherwise sickness absence will increase.
**Physical working conditions.** Heavy physical work may result in absence.
**Lifestyle factors** also affect sickness absence. With respect to smoking this is a well-documented fact and investigations also seem to indicate higher absence in relation to physical inactivity, overweight and high alcohol consumption.
**Socio-economic circumstances**. People with low social and financial status show a higher risk of sickness absence.

When analysing the causes for sickness absence, it may also be relevant to consider the type of sickness absence, e.g. whether the absence is due to physical illness such as influenza or mental illness such as being burnt out. The duration of the sickness absence may also be taken into considerations, e.g. whether absence lasts a short or long period, and how often it occurs.

### The costs of sickness absence in your business

According to the Danish Employers' Confederation and the Danish Chamber of Commerce, average sickness absence in Danish businesses represents 3.15 pct. This corresponds to approx. 7 days of absence a year per employee. These figures include sickness, children's sickness and absence due to industrial injuries.[4]

The cost of sickness absence varies from business to business, but savings can always be achieved by reducing sickness absence in the business.

A business that employs 50 people receiving an average pay of DKK 1,000 per day and having average sickness absence will therefore have an annual sickness absence expense of approx. DKK 350,000..[5]

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[3] Source: The Working Environment Information Centre: http://www.arbejdsmiljoviden.dk/Arbejde_og_helbred/Sygefravaer_og_tilbagevenden_til_arbejdet/Aarsager.aspx

[4] http://www.dhs.dk/cgi-bin/dhs/frontend/browse.do?channelId=&contentOID=17717

[5] Source: The Danish Employers' Confederation recommends the calculation method above.

Naturally, it is essential to know the cause for sickness absence in order to reduce it. It is not possible to fully eliminate sickness absence, but it can often be reduced.

As the methods of estimating sickness absence still vary significantly from one industrial organisation to the other, you may contact your own industrial organisation to check which calculation method they recommend/use.

*Calculate your own business' direct costs of sickness absence based on the following formula:*

Number of employees x 7 days of sickness absence x pay per day
= Annual cost of sickness absence

You may reduce sickness absence in your business through health promotion and thereby avoid some of the indirect costs related to sickness absence – e.g.:

- Costs of employing substitutes
- Delivery problems, which may result in loss of customers or orders
- Decreased productivity and quality
- Re-organisation of the work
- More work for the colleagues resulting in increased risk of stress
- Difficulties in recruiting and retaining employees.

However, it should be emphasized that it is, of course, important to examine the causes for the sickness absence in your business in order to be able to do something about it.

## 4 b: Stress

This material has been developed to help you reduce stress among your employees.

Many businesses have a common attitude towards stress, but often this attitude has not been laid down in writing. By working with and laying down the business' attitude towards stress in a policy, it will be easier for this attitude to function as a management tool.

The purpose of a stress policy is to prevent and reduce stress-related problems. Use the below table as inspiration, when you prepare a stress policy in your own business.

| INITIAL THOUGHTS ABOUT STRESS | COMMENTS |
|---|---|
| **How does your business prevent and handle stress today?** | |
| **Who will take the initiative for a stress policy?**<br>Can you do something yourselves or do you need to contact your manager, health and safety organisation, shop steward, works council, HR department or others? | |
| **Could the stress policy form part of other policies in the business?**<br>For example be part of the HR policy, the health policy, etc. | |
| **Should a committee be appointed to prepare the stress policy?**<br>Who should be represented in the committee? Management, health and safety organisation, shop steward, work council, HR department or others? | |
| **How will the entire business be involved in the preparation of the stress policy?**<br>Will there be an introductory discussion meeting, a job satisfaction survey or similar actions? | |

| PREPARATION OF STRESS POLICY | COMMENTS |
|---|---|
| **What is my business' attitude towards stress?**<br>Inspiration for ways to prevent stress that may be incorporated in the policy:<br>• Influence on one's own work<br>• Meaning and job coherence<br>• Predictability<br>• Support<br>• Reward | |
| **How is the responsibility for handling and preventing stress delegated?**<br>• What can your manager do?<br>• What can your colleagues do?<br>• What can you do yourself? | |
| **What measures are taken in relation to stress at your workplace?**<br>Should there, for example, be standard procedures for interviews with employees who seem to be suffering from stress? | |
| **How does your business follow up on employees suffering from stress when they return to work?**<br>Should it, for example, be possible to have a slow start? Should the business make sure to stay in touch while the employees are reported sick? | |

| COMMUNICATION, FOLLOW-UP AND EVALUATION | COMMENTS |
|---|---|
| **How should the stress policy be communicated to the employees of the business?**<br>Who should be in charge of communication and how? For example at meetings, via the intranet, staff magazine or similar media?<br>The stress policy should send a clear signal to everybody in the business. Therefore, it is important to consider how the policy is presented. It should be clear for everybody that the policy has been introduced. | |
| **Who will be in charge of following up on the objectives laid down in the stress policy?**<br>It is important that the stress policy is followed up to demonstrate that there is action behind the words and therefore it is important that a person or work committee is responsible for the follow-up.<br>When the stress policy has been functioning for a while, it will also be a good idea to visualise the outcome of the policy, e.g. higher job satisfaction, decreasing absence and lower staff turnover. | |
| **How should the stress policy be evaluated?**<br>For example, by staff meetings once a year, through questionnaires, through annual job satisfaction surveys, etc.? | |

*Sources: The Danish Chamber of Commerce: Undgå stress – det betaler sig, 2003 (Avoid stress – it pays off)*
*NCSA: En sundere arbejdsplads – idékatalog, 2005 (Health working conditions – index of ideas)*

| STRESS POLICY EXAMPLES |
|---|
| Our business should be characterised by dedication, job satisfaction, few days lost due to sickness, high efficiency and high performance. To achieve our objectives we will therefore strive to avoid negative stress in our business.<br><br>We wish to strengthen the conditions that encourage involvement of the employees and enhance their job satisfaction in order to prevent stress. At the same time, we will tackle any issues that have a negative impact on the job satisfaction. We will, among other things, ensure that everybody in the business knows how to prevent and relieve stress-related problems.<br><br>Employees as well as managers must react if and when they see signs of stress such as long-term changes in behaviour and physical condition. The individual employee must pay attention to the signals of his/her own body and react on any signs of stress. The employee ought to inform his/her closest superior of the problem.<br><br>If an employee notes that a colleague has been showing reactions for some time that could be an indication of stress, it would be a good idea to ask the colleague whether he/she is ok and whether he/she needs help.<br><br>If a manager has experienced over a prolonged period of time that an employee has been demonstrating behavioural or physical changes, it will be a good idea to have an interview with that employee. This interview should clarify what the problem is – and what should be done to resolve it. If problems are not tackled while they are still small, they may result in stress followed by long-term absence.<br><br>When an employee or colleague who has been suffering from stress returns to work, both the manager and the colleagues have a duty to help this employee to start afresh. |

*Source: The Danish Chamber of Commerce: Undgå stress – det betaler sig, 2003 (Avoid stress – it pays off)*

Other tools for stress prevention which can be used to supplement a stress policy

| Do it today | Relevant in the future | |
|---|---|---|
| **Activities** | | |
| ☐ | ☐ | **Information channels**<br>It is important to use the business' information channels, e.g. staff meetings and interviews, staff magazines, emails, intranet or other channels, to communicate the business' vision, strategy, target areas, etc. so that these are clear to each and every employee. |
| ☐ | ☐ | Appraisal interviews<br>An appraisal interview is a conversation during which the manager and the employee present their mutual wishes and expectations regarding the work and each other. The employee and the manager evaluate and prepare a plan for the employee's work as well as professional and personal development. |
| ☐ | ☐ | **Satisfaction surveys**<br>Measuring the employees' satisfaction allows for expedient reactions to any issues and problems approaching. |
| ☐ | ☐ | Social arrangements<br>Healthy social relationships function as a shield against dissatisfaction and stress. Social arrangements could be art societies, business parties, sporting events, etc. |
| ☐ | ☐ | **Introduction of new employees**<br>A thorough introduction of new employees in the business makes them feel comfortable at work more quickly. |

*Sources: The Danish Chamber of Commerce: Undgå stress – det betaler sig, 2003 (Avoid stress – it pays off) and, NCSA: En sundere arbejdsplads – idékatalog, 2005 (Health working conditions – index of ideas)*

## 3.10. Working on your own 5: Focus on retention of older employees

Older employees often possess skills that are essential for your business. Therefore it might be an excellent idea to make an effort to retain older employees who might otherwise be contemplating an early retirement in your business. When your business brings older employees into focus, you should be aware that not all employees above a certain age consider themselves older employees and that they may not feel the need for special treatment. It is also important to consider which age group you would call older employees.

A survey made by Rambøll Management and Jesper Wégens from The Danish Institute of Gerontology in cooperation with FTF (the Confederation of Professionals in Denmark), the Financial Services Union and the Danish Nurses' Organization in 2005 shows that older employees possess a number of specific skills that may be valuable for your business. Such as:

- Responsibility
- Sense of quality
- Professional skills
- Comprehensive view
- General knowledge and background knowledge
- High ability to listen and understand
- Experience that is valuable for the business.

Rambøll Management also carried out a study on behalf of the Nordic Council of Ministers on the competitiveness of older employees in the Nordic labour market which showed that within a large number of areas older employees possessed, to a higher degree than their younger colleagues, the competencies requested by businesses when they were recruiting new employees, such as loyalty, responsibility, sense of quality and professional skills. The study concludes that a mix of the young and older employees possessing a multitude of skills provide the best framework for creation of added value in the business.

### Progressive retirement arrangements

A progressive retirement arrangement is a fully individual agreement between the employer and the employee concerning working conditions that differ from standard conditions. It could be everything from a day off each week to other tasks and job functions. The exact thing makes the specific employee choose to stay a few more years in the labour market.

The type of progressive retirement arrangements that can be made may, of course, vary significantly from place to place. The requirements and wishes of the employer and the employee with respect to a progressive retirement arrangement will likewise be based on individual choices.

A progressive retirement arrangement will typically be prepared jointly by the employer/manager and the employee. A progressive retirement arrangement will often deal with one or more of the issues below:

**Part time – reduced hours:**

- One or more days off each week or each month
- Arrive at work one hour later or go home one hour earlier than before
- Being entitled to longer holidays or optional leave
- Gradual reduction in working hours. E.g. by agreeing that the employee works 35 hours per week for half a year and then reduce working hours further.

**Job sharing**

It might also be a possibility to share the employee's job with a colleague. Some businesses enter into agreements with two employees so that they can share one job and both work half time. Both employees do not necessarily have to be older employees. Other colleagues may, for example, have small children or may for some other reason wish to have reduced hours for some time.

**Flexible hours**

A progressive retirement arrangement could also involve more flexible working hours for the employee so that he or she does not work every day from 8 am to 4 pm. Although it may require some planning if the employee has flexible working hours or is working from home, it is already common practice in many businesses.

**Finances**

Reduced working hours will often lead to similar reductions in the employee's pay. This may also have an impact on contributions to the pension scheme. In some cases, however, it has become possible to agree on continued full pension contributions. This applies to jobs in both private and public sector.

Reduced working hours also affect the amount of unemployment benefit that the employee will receive if he or she is fired. It is therefore important that the employee asks the unemployment fund and/or union for advice before signing the agreement about reduced working hours.

**Tasks and influence**

If the employee's working hours are reduced, but the employee continues to have the same amount of tasks to perform, this will mean an extra work load and perhaps more stress as well. In most cases it will therefore be an advantage if the job functions of the employee are adapted to the new working hours.

Reduced working hours may also have the effect that the employee will have less influence on and be less in touch with the development on job if, for example, meetings are held outside the new working hours. Therefore, things should be coordinated so that the employee is kept up to date on what happens at work after his/her working hours.

Here are some examples of older employees who, after performing the same tasks and job functions for many years, got new tasks and challenges:

- The secretary who would like to update the business' website
- The insurance agent who due to his/her excellent grasp of situations and judge of character may act as mediator in deadlock negotiations
- The kitchen assistant who wishes to help receive children in the morning at the day nursery
- The engineer who wishes to be stationed abroad after the children have moved away from home
- The cleaning assistant who due to his/her experience can carry our quality assurance of the colleagues' work
- The skilled craftsman who due to his/her experience can prepare quotations for the customers

The chauffeur who due to his/her extensive knowledge of the suppliers can become purchasing assistant or be in charge of the spare parts inventory.

### New tasks or job functions

Maybe the employee needs to have less strenuous tasks. Or wishes to have new challenges by shifting to other tasks or functions.

If the employee becomes responsible for new areas, this could also involve new tasks such as being mentor or tutor for other employees, perhaps for new employees or apprentices.

A progressive retirement arrangement may also allow the employee to slow down by being exempted from the most demanding or stressful tasks. The employee may also wish to have fewer types of tasks in order to concentrate on the field that the employee is best at.

It might be experienced as degradation or as being sidetracked if changes occur in the ranking of the position or the fields of responsibility. Therefore it is important that the change occurs with respect for the employee's own wishes. Neither the colleagues nor the employee should regard a progressive retirement arrangement as degradation, but as part of a gradual withdrawal from working life.

### Competence development

Competence development may also form part of the progressive retirement arrangement so that the manager and the employee agree that the employee should:

- Obtain a diploma or certificate to evidence the qualifications acquired through his or her daily work
- Participate in training on equal terms with other colleagues through in-house or external courses.
- Obtain supplementary training to be able to solve new tasks such as mentor or tutor, operate new tools, etc.

### Conditions of employment

This could be:

- *Limited tenure*
  The employee and the manager agree every year – probably during the appraisal interview – to determine for how long the employment is to continue. E.g. 1/2, 1, 2 or 5 years.
- *Project employment*
  Attachment to the business for a limited period to solve a specific job.
- *Flexible employment*
  For example, an agreement about being attached to the business as a consultant to solve specific tasks.
- *Job rotation*
  Here the employee does not have the same job all the time, but will in some periods have more challenging or less strenuous functions.
- *Reduced hours with full, part or no salary/wage compensation*
  If the working hours of the employee are reduced, this will typically mean a similar reduction in the pay. However, examples do exist of individual progressive retirement arrangements with compensation.
- *Reduced hours with full or part pension contributions*
  The framework agreement for progressive retirement policies for Danish municipalities and counties allow for offering employees aged 60 years or more to work less hours, but still maintain full or part pension provided that the business etc. in question allows it. In the private labour market, there are also examples of individual progressive retirement arrangements with full or part pension savings.

Below you will find some inspiration for an evaluation of whether your business can benefit from making an effort to retain older employees and what specific actions to take, depending on the challenges that you are faced with.

## 5 a: Retain older employees in the business

| | **Comments:** |
|---|---|
| 1. **Consider which challenges your business is faced with – e.g.:**<br>• Difficulties in retaining employees<br>• Difficulties in recruiting new employees<br>• Tough and strenuous working conditions – e.g. monotonous repetitive work<br>• Stressful working conditions – e.g. requirements about speed and performance<br>• Miscellaneous | |
| 2. **Identify how your business may benefit from making an active effort to retain older employees – e.g.:**<br>• Keep skills and knowledge within the business<br>• Avoid the need to recruit new employees<br>• Avoid training of new employees<br>• Counter existing or future recruitment difficulties<br>• Miscellaneous | |
| 3. **Decide who is to take the initiative – e.g.:**<br>• HR manager<br>• Closest superior<br>• You may also consider whether one of the employees in your business should function as ***Change Agent.*** A Change Agent is an employee whose function is to increase the working quality for older employees in the business. See examples of the Change Agent's functions below<br>• Other issues | |
| **4. Involve the work council**<br>If your business has a work council, this council should always be involved when making changes that affect the employees. | |
| **5. Define when an employee is an older employee in your business**<br>Some businesses refer to employees "as older employees" when they reach a certain age, e.g. 50 years. Please note that some employees may not consider themselves older employees and feel that their performance equals the rest of the firm and they might be offended by being offered preferential treatment. In that case, you may consider whether the progressive retirement policy should be a fixed part of the appraisal interviews where you can assess/discuss with the employee whether there it is time for a progressive retirement arrangement.<br><br>**6. How and when should you have the interview with the older employee?**<br>One possibility is to incorporate the progressive retirement interview into your appraisal interview. Below you will find examples of some of the issues that are important to consider in relation to the progressive retirement interview.<br><br>**a) Progressive retirement interview**<br>In many businesses, the HR manager holds annual appraisal interviews to clarify mutual expectations and needs of the employees and the business. By supplementing the normal appraisal interviews with questions that are relevant to older employees, the special issues relating to the planning of the older employees' last years on the labour market will be in focus. | |

| | |
|---|---|
| **b) The right time**<br>The right time to hold a progressive retirement interview is individual, but the business often chooses to discuss the issue when the employee is between 55 and 57 years old. This provides sufficient time for planning, and it "demystifies" the interview if it is an established practice to hold progressive retirement interviews for all employees when they reach a certain age.<br><br>**c) Form**<br>In some businesses the appraisal interviews for older employees are carried out based on a questionnaire to ensure that all relevant issues are discussed with all employees. Others have a more informal style which is similar to an ordinary conversation between manager and employee. The most important thing is that the interview leads to an agreement, preferably in writing, so that both parties have the opportunity to follow-up on the agreements.<br><br>**d) Contents**<br>The interview will often be based on the time passed since the last interviews, agreements for the coming year as well as more long-term planning. This includes termination of employment, scaling down or changes that are expected to occur before the employee's last year on the labour market. The contents of the specific interview can be adapted to the specific employee and the culture of the business as such.<br><br>**e) Preparation**<br>It is important that the business informs the employees in advance that the purpose of the interview is not to faze out of the older employees. It is an advantage if the employee gains the opportunity to prepare for the interview, e.g. through an agenda showing the issues to be discussed during the interview. Or gains the opportunity to participate in a course on progressive retirement to clarify his/her own options and wishes before the interview.<br>The business may choose to ask the employees themselves – perhaps anonymously – when they feel there is a need for a progressive retirement interview.<br><br>7. **Identify whether there are departments in the business which are suitable for making an active effort to retain older employees – e.g.:**<br>• Departments that do not involve physically demanding, e.g. heavy lifting.<br>• Departments where the experience of the older employee can be utilised better than others<br>• Other issues | |

| | |
|---|---|
| **8. Identify possible measures you can take in the effort to retain older employees in your business.**<br>When you have identified the challenges faced by your business, you can take measures to meet these challenges – e.g. :<br>• Altered tasks<br>• Smaller work load<br>• Less pressure and slower pace at work<br>• Lower requirements for adaptability and changes<br>• Job rotation<br>• Special tasks for older employees<br>• High independence in the work<br>• Better opportunities for supplementary education and training<br>• Reduced working hours<br>• Full pension contribution from employer in connection with reduced hours<br>• Technical aids | |
| 9. **Decide who will be responsible for the business' continued effort to retain older employees – e.g.:**<br>• HR manager<br>• Closest superior<br>• The Change Agent, if there is one in your business<br>• Other issues | |
| **10. Evaluate your effort to retain older employees**<br>Management or work council discussion about the benefits gained by the business from its effort to retain older employees. Can anything be improved?<br>You can also establish a group among the employees (preferably a wide section of employees, i.e. managers, young people, older employees, etc.) who meet once every half year to discuss how things are progressing? | |

*Sources:*

*Rambøll Management*

*SiD, HK, LH and AHTS: "Fastholdelse af seniorer i virksomheden"(Retention of older employees in the business)*

*www.forandringsagent.dk*

*AHTS, HK, LH, SiD and PwC: "Et ændret arbejdsliv"("A changed work life")*

*www.senioraftale.dk*

*www.seniorpraksis.dk*

*Rambøll Management and Jesper Wégens from The Danish Institute of Gerontology in cooperation with FTF (the Confederation of Professionals in Denmark), the Financial Services Union and the Danish Nurses' Organization Financed by the Directorate General for Employment Placement and Vocational Training: Attraktive arbejdspladser til attraktive seniorer, September, 2005 ("Attractive jobs for attractive older employees")*

## Change Agent

Examples of functions that a Change Agent may have in the business:

- Bring the competencies of older employees into focus
- Put older employees on the agenda of the business
- Carry out measures in the business aimed at retaining older employees.

The cost of becoming a Change Agent is DKK 1,450. Learn more about the scheme at www.forandringsagent.dk

*Source: www.forandringsagent.dk*

## 5 b: Examples from businesses

The following examples are taken from SiD, HK, LH and AHTS' report: "Fastholdelse af seniorer i virksomheden" ("Retention of older employees in the business"). We have selected six examples showing how you can retain SiD (now 3F (Danish trade union for skilled and unskilled workers) older employees. Then there are two examples of how to retain HK-employees (HK = Danish union organising commercial and clerical employees) and finally two examples on how to retain older executive employees.

| EXAMPLES OF RELOCATION OF 3F SENIOR EMPLOYEE |
|---|
| **Commercial businesses**<br>**Warehouse worker goes from heavy to light physical work**<br>For many years, it has been something natural in many businesses to move older employees from heavy physical work to less strenuous work. This can be practiced to an even wider extent, e.g. by combining jobs in other ways than previously. Take some of the lighter tasks from four jobs and combine them in a fourth. The load on the three others ought not to be significantly higher. Technical aids could be acquired.<br><br>**Production man transferred to supplier contact**<br>When businesses have used the suppliers' products in their own production for several years, they know which suppliers to use and what features etc. the goods need to have. It may be possible to find a job involving some sort of contact with the suppliers and the products as a replacement job. |

| TRANSPORT BUSINESSES |
|---|
| **Chauffeur transferred to haulage planning**<br>An older chauffeur with several years of experience within practical execution of haulage planning will often be able to benefit from this experience at a haulage planning office. By a rescheduling of the tasks at the haulage planning office, it might be possible to find a job for an experienced chauffeur. Some hands-on training may be needed. This training alone will have a tendency to make the employee stay longer in the business which will accordingly obtain maximum benefit from the employee.<br><br>**Chauffeur is given a fixed-duration project assignment**<br>In many transport businesses, "shelved projects" which cannot be solved as part of the daily operations is a common feature. The knowledge and experience of the chauffeur gained when working in the field makes him suitable for solving such assignments. Often the projects will have a fixed duration and are therefore most suitable as a conclusion to a long working life. |

| SERVICE BUSINESSES |
| --- |
| **Cleaning assistant for canteen**<br>When the cleaning job becomes too hard, it may be possible to find a job in a canteen, which the employee will be able to take on after a little training<br><br>**Laundry worker for physically less strenuous areas**<br>Not all areas in a laundry are equally hard to work in. Although job rotation is very common in laundries, it is possible to find permanent, less demanding areas for older employees, if it becomes too hard to be part of the normal rotation. |

*Source: SiD, HK, LH and AHTS' report: "Fastholdelse af seniorer i virksomheden" ("Retention of older employees in the business").*

| EXAMPLES OF RELOCATION OF OLDER SHOP ASSISTANTS OR OFFICE EMPLOYEES |
| --- |
| **Sales assistants, wholesale/(retail) for less strenuous tasks**<br>As they are getting older, sales assistants may also need relief either due to work-related stress or due to high physical demands. The employees have a wide knowledge of the business, customers, suppliers, goods, etc. and will therefore be able to take on jobs where guidance is a predominant function. This could either be during customers' or suppliers' visits to the business or guidance over the phone.<br><br>**Shipping and forwarding employees' education and training**<br>Becoming a good shipping or forwarding employee requires very long training. It will be advantageous to pass on the experience of an older employee to new and younger employees. The older employees may therefore be transferred to training and presentation or become part of a scheme where two men shares two jobs. This will be sort of mentor job for the older employee. |

*Source: SiD, HK, LH and AHTS' report: "Fastholdelse af seniorer i virksomheden" ("Retention of older employees in the business").*

| EXAMPLES OF NEW JOBS FOR OLDER EXECUTIVE EMPLOYEES |
| --- |
| **Manager for planning**<br>A works manager's workday consists primarily in planning and organisation at the site. In major businesses, there will often be an actual planning department that plans, manages and follows up on all major projects and activities. A works manager will typically be in possession of the qualifications required for these tasks. In small businesses, such a department may not exist, but the tasks are spread on different departments. A works manager will be able to plan and manage these tasks in the departments. |

*Source: SiD, HK, LH and AHTS' report: "Fastholdelse af seniorer i virksomheden" ("Retention of older employees in the business").*

## 5 c: Government support and information

[If you have National and/or Governmental economic support regarding *Retention of older employees* you can place it here. This is also the case if you have National links regarding Retention of older employees.]

## 3.11. Working on your own 6: Focus on diversity in the business

People differ – e.g. with respect to sex, cultural background, age, physical and mental handicaps, educational level, religion or sexual orientation. Focusing on diversity in your business means seeing opportunities in differences as opposed to seeing only problems and barriers. In the end, diversity among your employees may play a contributing role in the development of your business.

In principle, diversity relates to all groups of people, but in the following we will be dealing with how your business can hire employees from another cultural background and what impact this will have on your business.

### Why hire employees from another cultural background than Danish?

DI's (the Confederation of Danish Industries) integration survey 2005 shows that businesses point out the following advantages of having employees from another cultural background than Danish:

- They contribute positively to the performance of the employees.
- The business achieves a loyal work force.
- The business achieves more diverse competencies.
- The business achieves a better recruiting basis.

Do you want to know more about diversity?

[The links below are all Danish websites. They can be removed and National links regarding integration and diversity in the business can be added to the list of links instead. There is however a possibility of getting information in English from the websites in some of the links below.]

- **DI** (The Confederation of Danish Industries)
  At www.di.dk, you will find various publications, e.g. ”Styrk Integrationen – Kom godt i gang på din virksomhed” (”Enhance Integration – Get off to a good start in your business”).
- **HTS** (The Confederation of Danish Commercial Transportation and Service Industries)
  At www.hts.dk, you will find publications offering specific tools for e.g. preparation of integration policies, retention of older employees, etc.
- **LO** (The Danish Confederation of Trade Unions)
  At www.lo.dk, you will find publications on integration, e.g. ”Nye kolleger er gode kolleger”(”New colleagues are good colleagues”). At the website, you will also find publications on employment and labour market as well as social politics.
- **The trade unions’ knowledge centre for integration**
  The knowledge centre was established to strengthen the overall effort of the trade unions regarding integration. Here you will find material and publications on integration. See www.fvi.dk
- **The Danish Ministry of Employment**
  Here you will find more about the campaign for academic graduates, integration of ”new Danes” on the labour market and progressive retirement policies. See www.bm.dk
- **CABI** (Danish National Centre for Employment Initiatives)
  Here you will find material on labour market with room for everyone. See www.cabiweb.dk CABI also has several sites on job creation, as well as prevention and retention of the work force. See www.ijobnu.dk , www.via2000.dk and www.fleksjob.dk
- **The national and regional corporate networks**
  The national and regional corporate networks deal with social commitment. At the website www.socialtansvar.net, you can read about the regional corporate networks in your region and be inspired to further develop your social commitment.
- **The association ”Foreningen Nydansker”**
  The association deals with issues regarding integration of ”new Danes” in the labour market. At the association’s website www.foreningen-nydansker.dk, you will find information on diversity, mentors and much more. The association offers discussion groups and gives lectures and presentations.

## 6 a. Mentor scheme[6]

When your business decides to hire an employee from another cultural background, it will be a good idea to consider how you are to ensure the integration of the new employee in your business.

In Denmark it is possible to have a mentor scheme sponsored by the Danish Government and local authorities, but the mentor scheme anyway is a very good idea, and it should be considered in all businesses whether it is sponsored or not.

In the mentor scheme an experienced employee will be responsible for the training of the newly employed person – this involves occupational training as well as a good introduction to the business’ culture and social life.

A mentor scheme can be one way of ensuring a good start in your business for the new employee. Contact to the mentor gives the new employee as sense of security – especially if he or she has never been working in a Danish business before. The mentor scheme is an important short-cut for understanding the tone used among the employees as well as unwritten rules and for conquering language barriers.

[6] Kilde: www.ams.dk/etnisk/vaerktoejskasse/varktoej-mentor.html

Here the mentor scheme is presented as a tool in relation to the introduction of new employees from other cultural backgrounds than Danish in the firm, but in principle the mentor scheme may function as introduction of any new employee in the firm.

### Success criterion for the mentor scheme

In order for your mentor scheme to be successful, it is important that the employee(s) acting as mentors in your business are fully equipped to carry out their functions. The means e.g.:

- Management must clearly state the purpose of the mentor scheme
- Management and colleagues must back up the mentor(s)
- The mentor must know the limits of his/her responsibility and be able to seek help in case of doubt, e.g. from management or in a mentor network
- Roles should be clearly defined between the mentor and the other employees – e.g. middle managers. You can visualise the role by laying down guidelines for the mentor's functions and publish these in the business.
- The mentor must be familiar with the work-related needs of cultural minorities – are there any special challenges for persons from another cultural background in your business?
- It is important that the mentor is aware of the informal rules applicable in your business, so that he or she can inform the new colleague about them.

## 6 b. Hire an employee from another cultural background

| ACTIVITIES | COMMENTS |
|---|---|
| **1. What does your business do today?**<br>Do you have any employee(s) from another cultural background or are you considering employing one. | |
| **2. How can your business benefit from hiring an employee from another cultural background?**<br>Write down arguments as to why your business should hire an employee from another cultural background. | |
| **3. Who takes the initiative?**<br>• HR manager<br>• Closest superior<br>• Manager of a specific department<br>• Other issues | |
| **4. Which departments in business can make best use of an employee from another cultural background?**<br>Your new employee may have some trouble writing and reading Danish to perfection.<br>Consider whether there are departments where fluent written and spoken Danish is not necessary. | |
| **5. Can you offer the employee the opportunity to express himself/herself in non-linguistic ways in his/her application?**<br>If he or she is not quite fluent in Danish, there may be ways of letting him or her make himself/herself heard. E.g. if he or she has some technical knowledge that can be drawn. | |

| | |
|---|---|
| **6. What are the minimum requirements for an employee from another cultural background in your business?**<br>For instance having to read safety instructions in Danish. Consider whether the requirements can be solved in other ways – e.g. by hooking up the employee for some time with a colleague with the same native language. | |
| **7. What would be the best way to integrate your new colleague in the business?**<br>This could, for example, be through a mentor scheme where the new employee is introduced to written and unwritten rules in the business by a colleague (see above). | |
| **8. Are there any special considerations that you can and are willing to make in your business?**<br>Generally, people from other ethnic backgrounds have different cultures and norms, but in a work situation there will seldom be problems that cannot be solved by means of sensible talk. This talk and differences, considerations and opportunities may very well be dealt with at the job interview.<br>There are different opportunities for seeking advice, e.g. in your organisations, in the Danish Ministry of Refugee, Immigration and Integration Affairs and the association ”Foreningen Nydansker”. | |
| **9. What rules do you want to have in the business?**<br>If there are already employees from other cultural backgrounds in the business, it might be a good idea to discuss – and perhaps lay down – some guidelines for cooperation and interaction.<br>These could be guidelines saying that:<br>• You speak Danish in the business<br>• You respect each other's differences<br>• You respect each other's religious observance<br>• You respect each other's choice of clothes<br>• Other issues | |
| **10. How will you follow-up on the employment?**<br>You could hold a meeting with the new employee and his/her closest colleagues to talk about how things are going. | |

*Sources: Rambøll Management*
*DI: ”Når døre åbnes”(”When doors open”)*
*AHTS: ”Udarbejdelse og implementering af en integrationspolitik”(”Preparation and implementation of an integration policy”)*

### Where can you obtain advice?

If your business would like to hire an employee from another cultural background, it may be a good idea to write it in your job advertisement or contact your local job centre. They can help you find the right employee for your business.

At the job centres in Denmark you can obtain advice and guidance – e.g. regarding other cultures, religions, etc. – and receive financial support e.g. for a long-term training period.

The Danish job centres offer various schemes that businesses can make use of:

*Employment with wage compensation*
Gives private and public employers the opportunity to obtain support in connection with the employment of an unemployed person. When a private employer hires an unemployed person with wages compensation, a grant of approx. DKK 57 per hour is offered for a maximum period of 12 months. Education may be part of the offer about employment with wage compensation.

*Trainee service*
Provides employers with the opportunity to obtain support for taking in an unemployed person as trainee. This allows the employer to assess whether this person should be offered a permanent job or with wage compensation. As a general rule, the employer may employ the person as trainee for up to four weeks.

*Mentor scheme*
Provides the employers with the opportunity to obtain financial support for releasing a person from his or her normal duties to act a mentor. This could be one from the business' own staff or an external consultant. The mentor's tasks are to introduce, guide and train the new employee, e.g. with respect to the business' culture, jargon, etc.

## 3.12. Working on your own 7: Health and safety management tool for small and medium-sized enterprises

The e-learning module of "People & Profit" includes a "Health and safety management tool for small and medium-sized enterprises". A tool developed specifically for small and medium-sized enterprises. This tool enables the enterprise to quantify costs and savings related to general health and safety activities and the following three health and safety issues: industrial injuries, repetitive strain injuries (RSI) and heavy lifting.

The health and safety management tool is divided into the following modules: Start, Industrial injuries, Heavy lifting, RSI and General health and safety conditions. You can choose to apply one or more modules, but the Start module has to be filled in before you can work with the other modules, as this module contains the master data specific for the business and these data are used for calculations in the other modules.

### Industrial injuries

Industrial injuries mean unnecessary financial costs for the business. The human costs of industrial injuries cannot, of course, be reduced to financial calculations. But stronger focus on financial costs may serve as an incentive for both management and employees to make a targeted effort to reduce industrial injuries. The tool helps you quantify the costs of an industrial injury, as it also pays attention to indirect costs. The costs may involve expenses such as:
- Loss of working hours/wages for the injured party
- Treatment
- Loss of working hours in the organisation
- Time spent on contact with the authorities
- Changes in the payroll administration and handling of notifications, etc.
- Damage to property

- Manning of injured employee's tasks
- Decreasing productivity due to interruption of the work.

### Heavy lifting

A lift is considered heavy when it entails a risk of damaging your health. Heavy lifting and handling of heavy burdens are generally associated with back problems, such as backache, stiffness of muscles and joints. It may also involve pain or sensory disturbances in the legs. It may involve straining, fractures or nerve damages. Businesses can feel the impacts of heavy lifting when the employees talk of nuisances or pain in connection with the lifting of burdens or other handling, e.g. pulling or pushing burdens. It may also involve short-term or long-term sickness absence due to work involving lifting or other handling of burdens. The reason for the sick leave may also be backache or other nuisances in the back and/or down in the legs.

The heavy lifting module helps to identify the costs related to heavy lifting in your company. The costs may involve expenses such as:

- Sickness absence due to heavy lifting
- Treatment of pain related to heavy lifting, e.g. pain in the back and pain in bones and joints
- Administration of sickness absence caused by heavy lifting
- Manning of tasks due to sickness absence caused by heavy lifting
- Staff turnover due to heavy lifting.

### RSI

RSI is repetitive strain injuries caused by performing repetitive work functions where the same movement(s) are carried out several times within a short time span with minimum allowance for variations in the movement pattern. It is a case of monotonous repetitive work when this pattern is seen in more than ten per cent of the working hours. The business can feel the impacts of RSI if, for example, the employee needs short or long breaks during the working day or is not able to handle various tasks due to pain or fatigue in muscles and joints. There may also be sickness absence for short- or long-term periods due to pain in muscles and joints.

The RSI module helps to identify costs of repetitive strain injuries (RSI) related to monotonous repetitive work in your business. The costs may involve expenses such as:

- Sickness absence due to RSI
- Treatment of repetitive strain injuries (RSI), e.g. in the neck, shoulders or arms.
- Administration of sickness absence due to RSI
- Manning of tasks due to sickness absence caused by RSI
- Staff turnover due to RSI.

### General health and safety conditions

The module helps the business quantify the costs related to general health and safety related activities. The costs relate to the time spent on health and safety activities. Including time spent by the health and safety organisation, e.g. on meetings, implementation, systems maintenance, etc.

The costs may involve expenses such as:

- Operating the health and safety organisation
- Preparation of workplace evaluations
- Insurance

- Resources used in connection with the inspection made by the Danish Working Environment Service.
- Use of safety and health advisors
- Potential operation of health and safety management system and certification
- Health promotion initiatives

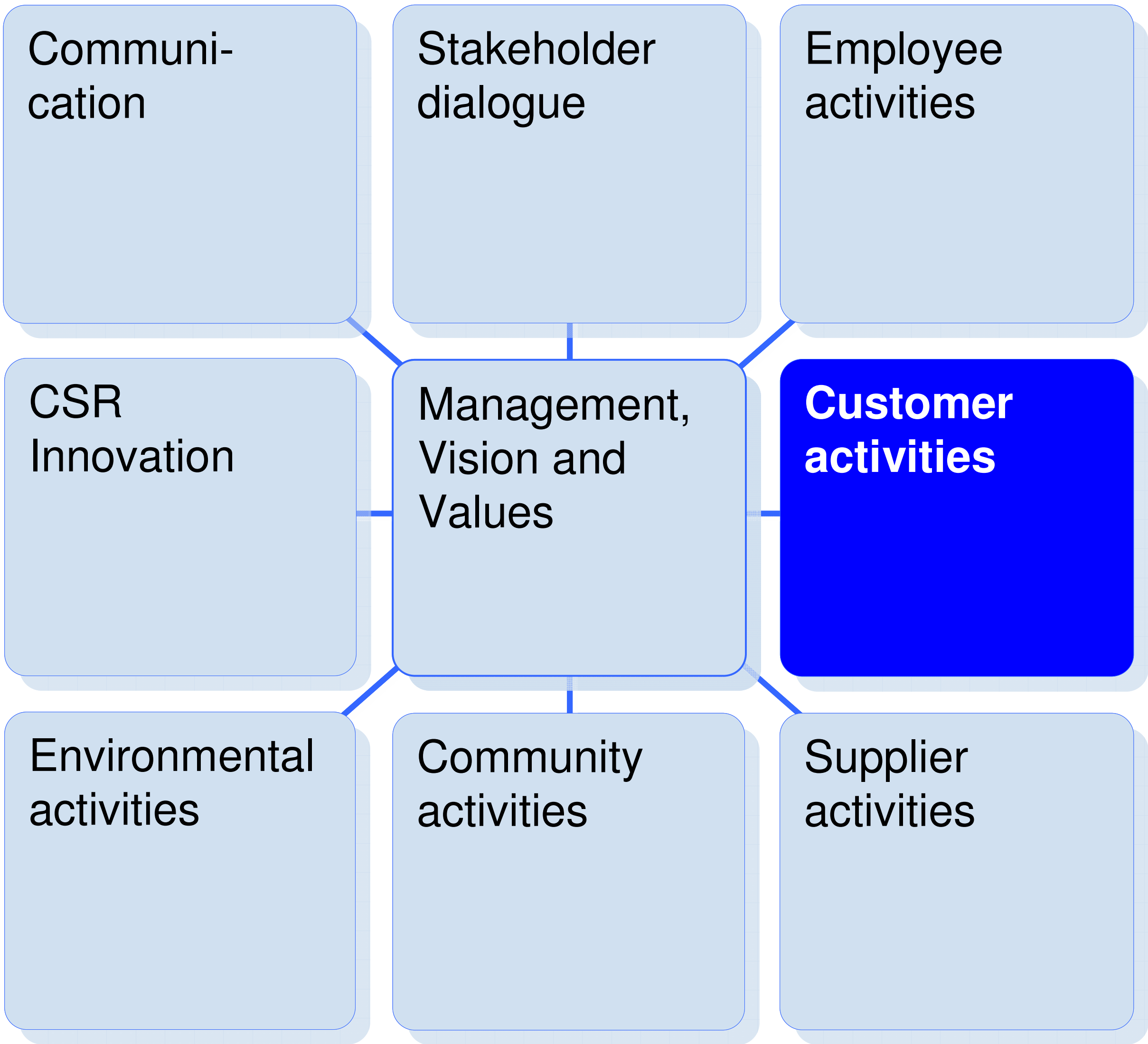
This method allows you to analyse your costs relating to both voluntary and statutory health and safety activities. For many businesses, it will be difficult to achieve savings regarding these costs, especially with respect to statutory health and safety measures. Nevertheless, it is still a good idea to know the costs, e.g. in relation to the dialogue with authorities and employees. Knowing the costs related to voluntary health and safety activities makes it possible to assess whether the efforts made within the area are in proportion to the costs that can be saved as the work leads to few injuries and less absence.

As an appendix to this handbook, there are some guidelines briefly describing what health and safety management is, which health and safety costs are the most substantial ones and how the tool can be used. It also deals briefly with subjects on how to work with health and safety management and how to organise the work. We recommend that you read *the guide* before using the "*Health and safety management tool for small and medium-sized enterprises*".

The tool was developed in 2006 by PricewaterhouseCoopers and COWI.

4

# Customer activities



# 4. Customer activities

Customers are often the most important stakeholders of your business, since they are the ones who buy your goods/services. Customer activities in CSR therefore target both private and corporate customers. For some businesses, private consumers are the most important, while corporate customers are more important for other businesses. Obviously, your customer activities should take into account the type of customer you have and the demands customers make of businesses.

Customer activities therefore comprise both the customer requirements you face – e.g. companies where you are the supplier - and how you can use your CSR activities in a profiling and marketing context towards a wider group of customers – e.g. users of your products.

Customer activities thus deal with:
- meeting customer requirements for CSR
- entering into a dialogue and handling requirements and expectations
- marketing and communicating your CSR activities
- using product labelling schemes
- being aware of product liabilities: e.g. informing customers about responsible use and disposal

## 4.1. What are strategic customer activities?

Companies working strategically with CSR activities aimed at customers typically experience that:
- their major local or foreign corporate customers require or demand CSR
- their public customers require or demand CSR
- their end users choose products/services with a responsible profile
- they can access new customer groups by having a responsible profile on products/services
- they can access new customer groups by developing new products/services based on social responsibility.

The communication with your customers should be linked with your CSR activities and your core area. If you, for instance, are an environmentally-intensive business that pollutes heavily during production, it would not be credible to communicate that you save power. However, if you communicate the CSR activities that relate to your core products to your customers, you can use your CSR efforts strategically to attract customers. This applies to private and corporate customers alike.

## 4.2. The effect of customer activities

- Many large businesses have visible CSR policies and make CSR demands of their suppliers. At the same time, small companies make demands of their suppliers to an increasing extent. If you are working strategically with customer activities, you can anticipate or counter your customers' requirements for social responsibility. This allows you to use your social responsibility to retain your current customers.

- Provided that they are communicated to your customers, your CSR activities can strengthen your reputation and give you a profile as a socially responsible business. This allows you to use your social responsibility to attract new customers who emphasise CSR.

- Customer activities can attract more conscious customers who may reject your less CSR-oriented competitors.

## 4.3. What do the others do?

[These cases are Danish and can be replaced by national examples on customer activities]

**MERKUR BANK**

Merkur Bank is organised as a cooperative savings bank and is primarily owned by its customers.
Merkur performs a financial, community, green, social and cultural assessment before it lends money. 75% of loans are for green, social and cultural projects meeting Merkur's values of sustainable societal development. 25% of loans are for private customers. Merkur prepares green accounts of its energy consumption and purchases products from environment-conscious customers such as Årstiderne, Hanegal and Thiese Mejeri. Merkur is also a member of the Copenhagen Environment Network.

”In Copenhagen in particular, we also support various cultural and social projects such as private independent schools and social homes. A coming focus area could be to finance workplaces that make a special effort to hire immigrants."

Customer advisor Claus Skytt, Merkur Bank

**PAINT MANUFACTURER BECK & JØRGENSEN A/S**

At Beck & Jørgensen A/S, the environment is more than just circulars, orders and legislation. As an active participant for Danish master painters, the environment, environmental management and environmental considerations are well known concepts for all – management and staff alike. Working with paint is to work with the environment. It is therefore natural that Beck & Jørgensen A/S has carefully formulated environmental policy and objectives. The business strives for openness in all environmental matters and works according to the EU criteria for the Flower eco-label where possible, considering quality and raw materials.

”It's decisive to offer our customers products that we can guarantee are ok and which they can be nothing but proud of selling on to end users. This increases credibility throughout the chain and can only benefit our business".
Jesper Hougesen, product manager of Beck & Jørgensen A/S

Source: www.eco-label.com

**GRENEN CAMPING**

Green Camping has up to 750 guests during peak season and lies in the middle of the unique natural settings of Skagen. The business has four permanent employees and is eligible to use the Flower eco-label.

”Due to our location in the middle of the listed area of Grenen, we've always thought that we should operate our camping site in harmony with the environment and nature. One of the objectives of Grenen Camping is therefore to help motivate our guests to become environment-conscious during their stay and to provide information about the myriad natural sites”.

Poul Langhave, owner of Grenen Camping

## 4.4. Some good advice

- Consider how your CSR activities affect individual customer groups
- Prioritise the customers that are most important to your future business
- Engage in a dialogue with your customers
- Consider whether and how you can communicate your CSR activities

## 4.5. Working on your own

In the following section, you can read more about how you can handle requirements from corporate customers for documentation of social responsibility. You can also read more about the product label scheme the Flower and how you use it.

**Working on your own with customer activities comprises the following sections:**

1. Questionnaire
2. Handling CSR requirements from corporate customers
3. The Flower eco-label
4. CSR sales tool for small and medium-sized enterprises

## 4.6. Working on your own 1: Questionnaire

The following serves as inspiration for areas you can consider when you are working with customer activities. To launch the most strategic initiative, you have to identify the customer activities that are the most valuable to your business. As CSR deals with several subjects, some are more relevant to your particular business than others, and you obviously have to identify the CSR subjects which are the most relevant to your core business.

For this purpose, you can use the questionnaire below to determine where your primary focus should be.

| CUSTOMER ACTIVITIES AND COMMUNICATION OF CSR | | |
|---|---|---|
| **Inspiration for activities:** | | |
| Do today | Relevant in future | |
| | | **Meet customer requirements** |
| ☐ | ☐ | Engage in a dialogue with the customers and agree the requirements you need to meet |
| ☐ | ☐ | Make a written declaration stating that you meet the requirements |
| | | Become certified in one or more areas: |
| ☐ | ☐ | Environmental management with ISO 14 001 |
| ☐ | ☐ | Environmental management with EMAS (not widely used in Denmark) |
| ☐ | ☐ | Occupational health and safety with OHSAS 18 001 |
| ☐ | ☐ | Social accountability with SA 8000 |
| | | **Product labelling schemes** |
| ☐ | ☐ | Product labelling schemes are about your business developing and selling environment-friendly products and organic food products. This comprises products labelled with the Flower. |
| | | Market products that emphasise respect of human and employee rights, e.g.: |
| ☐ | ☐ | preventing the use of child labour for production |
| ☐ | ☐ | product labels that guarantee farmers and workers in developing countries a fair price, e.g. a fair trade label. |
| | | **Product liability**<br>Making an extra effort to ensure that your products and services are as little harmful to humans and the environment as possible. Take a panoptic perspective: |
| ☐ | ☐ | The manner in which the product is made, distributed and disposed of |
| ☐ | ☐ | The manner in which the product is used. Being prepared for possible misuse of products and services by informing users of the proper use and potentially harmful adverse effects. |
| | | **Ensuring market access for all** |
| ☐ | ☐ | This is a question of your business making an effort to ensure that minority groups have access to your products and services. One example is the discussion of the HIV-infected people's access to drugs in Africa. |
| | | **Dialogue, marketing and communication** |
| ☐ | ☐ | Promote dialogue with our customers |
| ☐ | ☐ | Listen to and react to customer feedback and complaints and make it easy to complain and make proposals. |
| ☐ | ☐ | Market products in a responsible and ethical manner. This can be done by disassociating a product for children (e.g. candy) with a product for adults (e.g. alcohol). |
| ☐ | ☐ | Profile the business' social accountability. Communicate our CSR activities to specific stakeholders. |

## 4.7. Working on your own 2: Handling CSR requirements from corporate customers

An increasing number of businesses make demands of their suppliers. It is generally a good idea to anticipate your customers' demands. In addition to maintaining cooperation with corporate customers, handling requirements may give you a competitive edge in relation to potential new customers demanding CSR. This will also help profile your business.

Competition is fierce in most markets, and if a customer is to choose between your business and another supplier capable of supplying the same product at the same price, then your business might win in the long run if you have prepared a declaration on CSR or observe certain standards. Social accountability may thus engender competitive advantages. A certification can also be used prospectively in your marketing to profile your business positively directly during the customer dialogue or indirectly in the form of good publicity.

Often, many of the activities your customers demand are activities your business is already engaged in. It may only be very few extra activities your business needs to start or change to meet these demands.

## The CSR Compass

[This tool is in Danish and can be replaced by a national tool]

You can use the CSR Compass to prepare declarations in relation to your customers. The following section introduces the CSR Compass.

The CSR Compass is developed in cooperation between the Danish Ministry of Economic and Business Affairs, the Confederation of Danish Industries and the Danish Institute for Human Rights.

On www.csrkompasset.dk, you can find help if your corporate customers demand CSR. The CSR Compass can help you formulate a written answer to your customers in Danish and/or English – a CSR declaration. With a CSR declaration, you can inform your customers that your business observes Danish legislation and international conventions. Under each area you can find:

- A standard declaration explaining that your business observes Danish legislation and international conventions
- Information about relevant legislation in the area
- Links to more information

You compose your own declaration on the basis of the demands you face, and you can easily and quickly compile the declaration texts in a CSR declaration and print it for your customers and partners. You can also enclose the declaration when you make quotations and conclude contracts with customers. The declaration serves as both a declaration and a check list. Danish businesses generally observe many of the customer demands by simply complying with Danish legislation. Go over the declaration to make sure that your business performs the activities in question and complies with current legislation. You can also add any further activities you perform in the areas where your customers make demands.

You also need to be aware that your sub-contractors may not live up to the same standards as you do and that it may be necessary to make demands of your suppliers.

You can compose your own declaration on the basis of the demands you face so that the final declaration concerns several activities – child labour, workplace safety, health and safety at work, etc. The CSR Compass provides specific declarations concerning all central CSR demands:

| | | |
|---|---|---|
| • Waste and reuse<br>• General health promotion<br>• Working conditions, incl. accidents<br>• Occupational health and safety management system<br>• Working hours and rest<br>• Lighting<br>• Accommodation and sleeping facilities<br>• Fire safety<br>• Child labour<br>• Discrimination<br>• Packaging | • Establishment and operation<br>• Hazardous substances<br>• Freedom of association<br>• GMO<br>• Chemicals<br>• Corruption<br>• Life-cycle assessment<br>• Air pollution<br>• Medical aid and first aid<br>• Payroll and employment conditions<br>• Environmental management<br>• Eco-labels<br>• Psychosocial working conditions | • Safe buildings<br>• Wastewater<br>• Eating facilities and drinking water<br>• Temperature<br>• Toilet and bath facilities<br>• Forced labour<br>• Training of employees<br>• Ventilation |

## 4.8. Working on your own 3: the Flower

[National labels can be added to this paragraph.]

You can also choose to profile yourself to a wider group than just your corporate customers – e.g. in terms of the environment. An eco-label has been developed for this purpose, showing that your products are environment-friendly and takes health into account while ensuring quality.

The Flower is the EU eco-label. The Flower was established in 1992 by the European Commission and is used all over Europe[7].

In the check list below, you can see if you manufacture, offer or use products or services that can be labelled with the Flower. Check the list and see if the Flower is relevant for you.

| **SERVICES OR PRODUCTS ELIGIBLE FOR THE FLOWER LABEL:** | |
|---|---|
| • Laptops<br>• Camping sites<br>• Electrical light bulbs<br>• Washing-up liquid<br>• Hard flooring<br>• Fertilizers<br>• Cooling furniture<br>• Copying and printing paper<br>• Mattresses<br>• Paint and varnish<br>• Dishwasher detergent<br>• Dishwashers | • Overnight stays (hotel, inn, hostels, etc.)<br>• Personal computers<br>• Shoes – footwear<br>• Lubricants<br>• Vacuum cleaners<br>• Textiles<br>• Paper products, such as tissues, toilet paper, etc.<br>• TVs<br>• Universal detergents and sanitary detergents<br>• Washing machines<br>• Detergents |

[7] Sources:
www.ecolabel.com
http://ec.europa.eu/environment/ecolabel/index_en.htm

**Criteria for the Flower**

Various criteria apply to the individual product or facility, so it is impossible to describe them all in this context. Above, you have identified the products that are eligible for the Flower. For more information about the criteria applying in order for your products to be labelled with the Flower, see the website of Ecolabelling www.eco-label.com.

Below, you can find examples of criteria that must be met in order for a product to be granted an environmental certificate.

| **THE FLOWER** |
|---|
| **Laptops**<br>A laptop with the Flower label warrants reduced energy consumption. This means strict demands on the consumption of power when the PC is in use and in standby mode. In addition, the PC is designed so that is easy to disassemble and thus easy to reuse. It is prohibited to add various hazardous chemicals (e.g. brominated flame retardants). To prolong product lifetime, the manufacturer guarantees that spare parts are available for at least three years after the PC has been bought. |
| **Overnight stays (hotels, inns, hostels, etc.)**<br>The Flower places demands on the place of accommodation's consumption of energy and water, requires reduction in waste volumes and use of renewable resources. In addition to the mandatory requirements placed on the operation of the place of accommodation, the Flower entails a number of scoring requirements, e.g. for using eco-labelled detergents, organic food or keeping of the hotel park without the use of pesticides. The individual hotel or place of accommodation can choose the requirements they want to meet to achieve a predetermined score. See also the criteria for camping sites. |

*Source: www.eco-label.com*

### How to work with eco-labelling of products and services

If you start using the guide below, you will be well on your way to becoming eco-labelled. Obviously, the activities depend on your current activities. You can use the list as inspiration when you make your own check list:

| ACTIVITY | COMMENTS |
|---|---|
| **1. Find out why your business would like to become eligible for an eco-label - e.g.:**<br>a) to gain an advantage in respect of competitors<br>b) to ensure environment-friendly products<br>c) to reach new customer groups<br>d) to become an environment-conscious businesses and be able to communicate this fact<br>e) Other? | |
| **2. Find out if your business deals with products that can be labelled with the Flower**<br>See the list above. | |
| **3. Identify what you do today to become environment-friendly**<br>a) We use environment friendly packaging<br>b) We avoid hazardous substances in the product<br>c) We are aware of resource consumption<br>d) Other? | |
| **4. Identify the person who should apply for an eco-label**<br>a) General Manager<br>b) Production manager<br>c) Employee | |
| **5. Identify the demands made if you are granted an eco-label**<br>Various criteria apply to the individual product or facility, so it is impossible to describe them all in this context. For more information about the demands placed on your products go to www.eco-label..com | |
| **6. Identify the changes you must make to meet the demands** | |
| **7. Prepare an action plan for implementation of any changes** | |
| **8. Collect documentation on changes** | |
| **9. Submit application to Ecolabelling**<br>Download the application procedure:<br>http://ec.europa.eu/environment/ecolabel/how_to/howtoapply_en.htm | |
| **10. Note that the licence must be renewed whenever the criteria are extended, replaced or revised.** | |

### Using the Flower in marketing

Once you have been granted the Flower licence, you can use the eco-label in your marketing. If you as manufacturer want to get the most out of your licence, it is essential that you use the labels actively as a marketing parameter in relation to your customers.

One of the strengths of the Flower and other labels is that they can be granted to various products. This means that the customer/consumer will meet the labels in many purchase contexts and not just in relation to one specific product group or industry. In this way, other licensees will also benefit from your marketing of the labels, just as you will benefit from their marketing. This creates a considerable synergy effect and thus a major boost of knowledge and development of the label.

[Replace this paragraph with references to national guidelines on ethical and environmental statements in marketing]
The Flower observes the requirements in the Danish Consumer Ombudsman's guide on ethical and environmental statements in marketing. The guide contains several items, the most important of which can be summarised in the three bullet points below, which the Flower observes:

- You must *document* that the product is more environment-friendly than other similar products: *In terms of the Flower, the requirements are so strict that only the environmentally best products can observe them.*
- Documentation must be based on a life-cycle assessment. *The life-cycle assessment is the basic method of the Flower requirements.*
- The environmental arguments in marketing must not mislead the customer/consumer: *The Flower exists to make it easier for the recipient: via an independent third party, it guarantees that the above requirements are observed.*

## 4.9. Working on your own 4: CSR sales tool for small and medium-sized enterprises

[This tool is Danish and can be replaced by a national tool]

A "CSR sales tool for small and medium-sized enterprises" has been developed specifically for Danish small and medium-sized enterprises. The CSR sales tool helps the salesperson integrate the business' CSR activities in the communication with the customer.

The CSR sales tool consists of two steps: CSR screening and Arguments that sell.

Under step 1, the seller maps his own and the customer's CSR profile in the following seven categories: Market knowledge, Certifiable management systems, Health and safety at work, Environment, Social accountability, the socially inclusive labour market and Product labels. Each of the seven categories contains a number of questions that cover your CSR activities in the area. At the end, the seller will have a report that provides a clear overview of the business' performance in relation to the customer. This enables the seller to identify the areas where his business can add extra value to the customer via its CSR activities.

Step two builds on the CSR screening and the knowledge the seller has of the market and the industry. The seller can use the argument tree to translate his knowledge into strong arguments that sell. The argument tree has a flexible structure that allows the arguments to be tailored to the specific customer and ensures that the seller's CSR arguments are relevant for the product.

Since CSR deals with much more than price, quality and delivery, the company can not often use CSR arguments as the central element in a sale. On the other hand, CSR arguments may give the customer an impression of overview, resourcefulness, integrity and vision. CSR arguments thus visualise the fact that the customer gets added value with the purchase – all for free. The business has already done the job!

When price, quality and delivery match those offered by competitors, CSR activities may be the factor that separates your business from your competitors. By using CSR arguments, you add a positive story to your product and present your values in a business-oriented manner.

When your business presents the CSR arguments to the customer, they will form part of the customer's decision basis. If you fail to do this, the customer will not be able to include the arguments in its decision.

## 4.10. Links

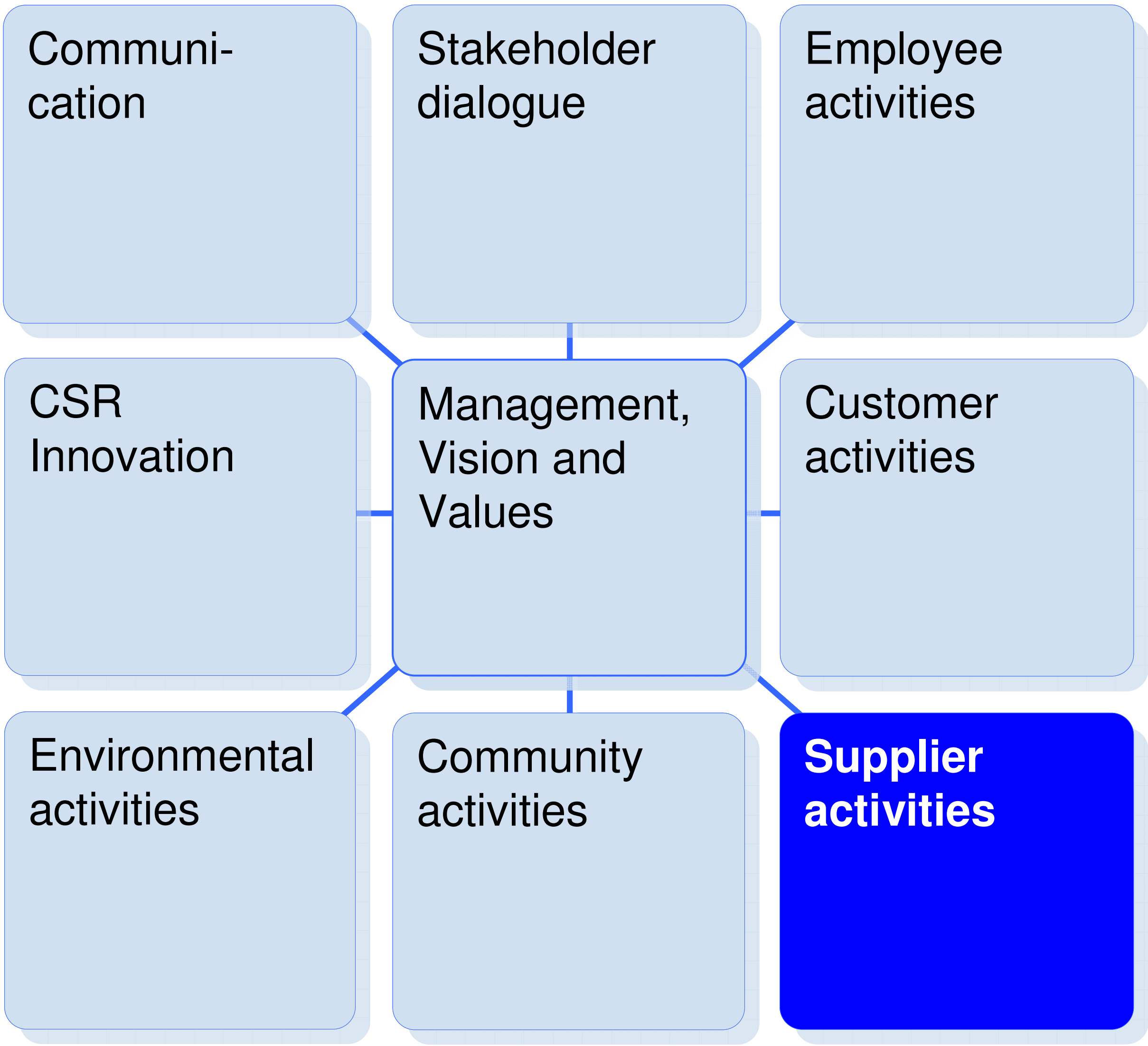
[National links regarding tools and labels can be added to the list of links.]

Below is a list of tools and websites containing additional information.

<table>
<tr><td colspan="3">The CSR Compass is developed in cooperation between the Danish Ministry of Economic and Business Affairs, the Confederation of Danish Industries and the Danish Institute for Human Rights. On www.csrkompasset.dk, you can get help if your corporate customers demand CSR.</td></tr>
<tr><td colspan="3">Further information and guidelines on eco-labelling</td></tr>
<tr><td>EU's official website on the Flower<br>www.europa.eu.int/comm/environment/ecolabel</td><td>EU's website providing information about licensees.<br>www.eco-label.com</td><td></td></tr>
</table>

# 5

# Supplier activities



# 5. Supplier activities

Supplier activities involve activities undertaken in cooperation with suppliers to make sure that they meet a certain standard. In a globalised world, many companies are not only concerned with how they behave themselves. Their business may be adversely affected if it turns out that their business partners act unethically or even illegally. An increasing number of companies are being associated with their chain of suppliers, and it may cause problems if sub-suppliers act in a way which cannot bear public scrutiny. For the very same reason, several companies now require proof that their suppliers comply with current regulations, act responsibly and meet certain standards, such as international conventions.

Many small companies are required by their customers to provide proof that they comply with regulations and international conventions. Consequently, companies have to pay increased attention to their own sub-suppliers.

As regards your business, activities in the supplier chain may imply that you formulate requirements in terms of environmental and health and safety conditions, that you communicate these requirements to your suppliers and that you cooperate with them to meet the requirements. Cooperation is often the key word vis-à-vis your suppliers in the work to incorporate CSR activities into your production and supply chain. It can be as such efforts directed towards joint compliance with a policy on human rights, knowledge sharing and joint enhancement of knowledge of CSR.

## 5.1. What are strategic supplier activities?

Strategic supplier activities imply that you consider whether it would be relevant to engage in supplier activities and on which areas to focus. You may consider the following questions:

- Do you have suppliers in risk countries, i.e. countries where national regulations and international standards on e.g. human rights and employee rights are not observed?
- Do your customers and business partners make CSR requirements?
- Will your corporate image suffer if your supplier does not meet environmental and social standards?
- Does your business or your sector in particular attract the critical attention of the media, activist groups, consumers or others; and does this warrant particular attention to your sub-suppliers as well?
- Does your business strive to meet international CSR standards?
- Do you attract investors with particular focus on social and environmental conditions?
- Would you gain a competitive advantage by seeing to it that your suppliers get involved with CSR?
- Would you gain a financial advantage by seeing to it that your suppliers get involved with CSR?

Once you have answered the above questions, you will have an idea of whether it would be relevant for your business to pursue the path of supplier activities and which efforts to focus on. Then consider which approach suits your company the best – depending on your product/services, the size of your business and market position.

Some small and medium-sized enterprises may find it difficult to make demands or to enter into a specific relationship with their suppliers, especially if they are multinationals are concerned. In that case, it may be worth considering alternative options such as getting involved at sector level or to copy the suppliers own CSR standards, if any. If you are a small business, you may choose to comply with the CSR demands of other customers. If your supplier also trades with a multinational company, which is in a better position to make supplier demands, you may consider contacting the multinational and applying its standards.

### Level of ambition

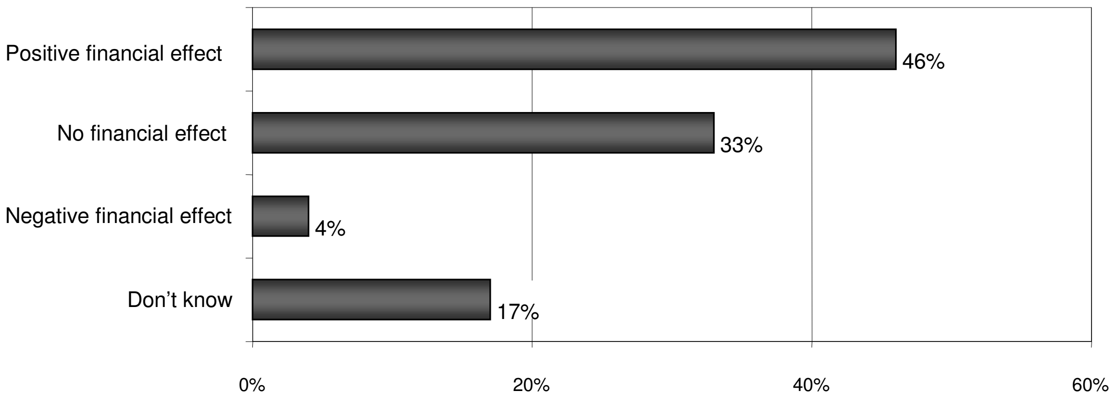
When prioritising your efforts, you may consider how ambitious you want to be in terms of supplier activities. Your ambitions may be developed over time, but it is important that you decide on the extent of your activities. Your decision must be communicated to your suppliers to ensure their appreciation of the process and the scope of the requirements.

When you prepare requirements and guidelines for your suppliers, you should make sure that they are implemented in your own business as well. You may also consider whether and to what extent you are able to check and document your own and your suppliers' efforts, and the extent of follow-up.

## 5.2. The effect of supplier activities

[The survey is based on answers from Danish small and medium sized companies. It can be replaced or supplemented with other surveys.]

In 2005, Gallup conducted a comprehensive survey of CSR activities among Danish small and medium-sized enterprises. The survey concluded that supplier activities do in fact have positive impact on the bottom line. As illustrated by the graph below, almost half of the interviewed companies reported positive financial effects from working with CSR or from CSR commitment at the supplier level.




The question was: If you compare the proceeds from your CSR commitment at supplier level with the cost, do you think that the activities have a generally positive or negative effect on the overall financial result (the financial bottom line)?

The Gallup survey also showed that:

- Six out of 10 companies reported *improved relations* with their business partners.
- Six out of 10 companies reported an improved ability to *attract and retain customers*.
- Seven out of 10 companies reported an *improved corporate image*.

## 5.3. What do the others do?

[The case is Danish and can be replaced by a national example on supplier activities]

Rice A/S designs various consumer goods for the Danish markets; the goods, however, are produced in a number of third-world countries. The company is headquartered in Odense and employs a local staff of 20. Rice is certified to SA 8000 to ensure the social working conditions at the factory in Thailand and suppliers in regions such as Asia and Africa.

"We have prepared a small leaflet explaining our views to our consumers. The product, you are holding, has been produced in an ethically, human and socially conscientious manner. A guarantee, which consumers in Britain and Germany in particular, value highly."

Quote Philippe Guéniau, Managing Director

## 5.4. Some good advice

Getting started with supplier activities:

- Divide the process into several steps. This will allow you to control the process and offer you better opportunities to take stock along the way.
- Start with the suppliers who mean the most to your core business.
- Start with simple initiatives and requirements which you and your customers value particularly high.
- Remember to evaluate the result of your supplier activities and to consider any future initiatives.

## 5.5. Working on your own

Below are suggestions for four different supplier activities which you can continue working with at home.

**Working on you own with supplier activities comprises the following sections:**

1. Questionnaire
2. Make CSR demands of you suppliers: The CSR Compass
3. The UN Global Compact
4. Do your suppliers observe the human rights: HRCA Quick Check.

## 5.6. Working on your own with supplier activities 1: Questionnaire

To launch a strategic initiative, you have to identify the supplier activities which are the most valuable to your business. As CSR deals with several subjects, some are more relevant to your particular business than others, and you have to identify the CSR subjects which are the most relevant to your core business.

For this purpose, you can use the form below.

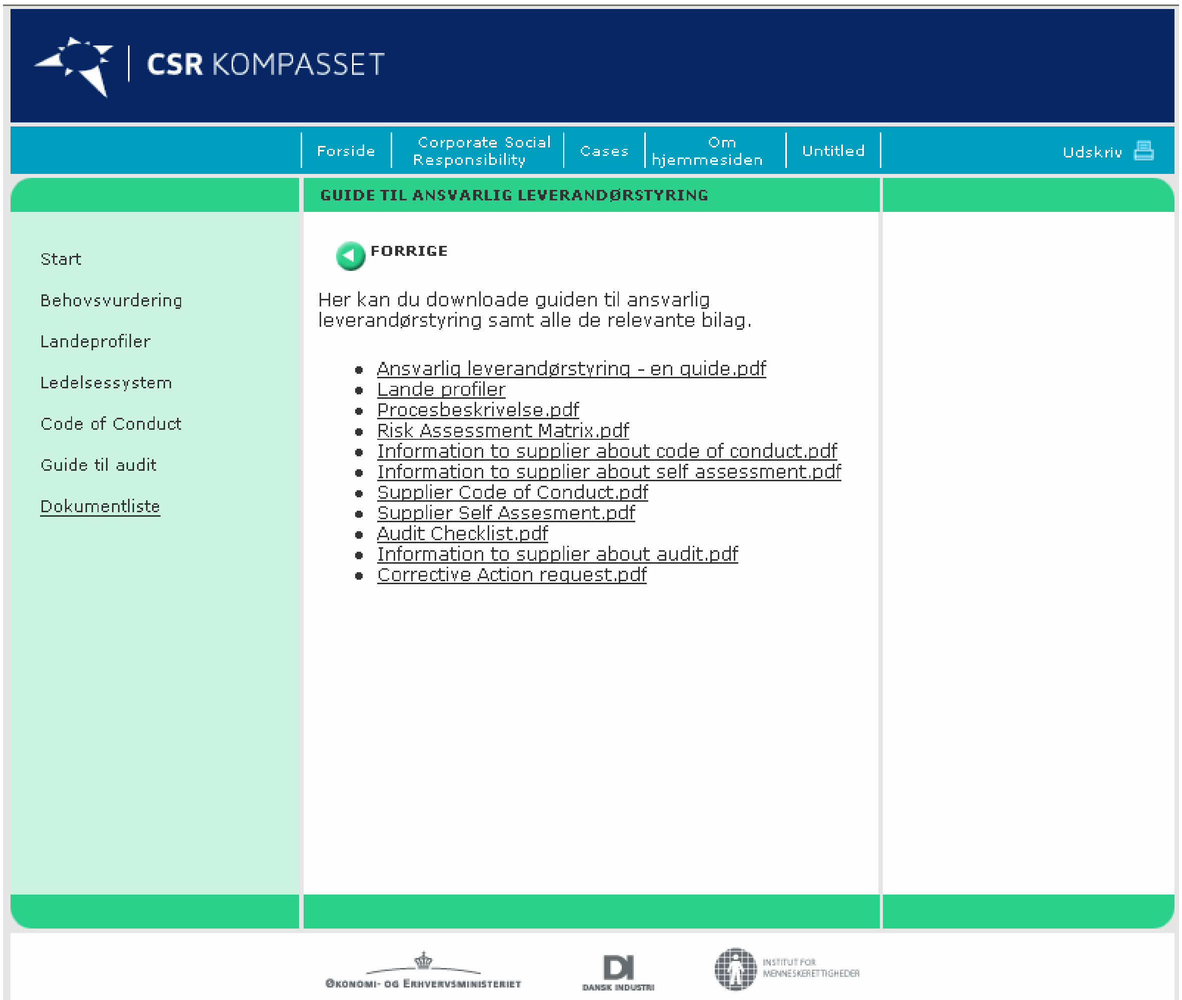
| MAKE DEMANDS OF YOUR SUPPLIERS | | |
|---|---|---|
| Do today | Relevant in the future | |
| | | **Forced labour**<br>Your business may ensure that: |
| ☐ | ☐ | Your suppliers do not use forced labour, threats or disciplinary means to force people to work |
| ☐ | ☐ | Your suppliers do not use debt slavery or trafficking as a means of forcing people to work |
| ☐ | ☐ | You do not work with companies using forced labour or withholding identification papers or wages as a means of forcing the employees to work |
| ☐ | ☐ | You d not work with companies preventing their employees from leaving the workplace |
| | | **Child labour**<br>Your business may ensure that the following conditions apply at your suppliers: |
| ☐ | ☐ | All employees are above the age of 13 |
| ☐ | ☐ | Employees between the age of 13 and 15 perform only light work |
| ☐ | ☐ | Employees between the age of 13 and 15 work a maximum of two hours a day |
| ☐ | ☐ | The parents of employees between the age of 13 and 15 are informed about the work and the conditions under which the work is performed |
| ☐ | ☐ | Employees under the age of 18 do not perform hazardous work or work at night |
| ☐ | ☐ | All apprentices are more than 14 years old and perform work as part of their training |
| | | **Non-discrimination**<br>Your business may ensure that: |
| ☐ | ☐ | Your suppliers do not discriminate on the grounds of sex, colour, religion, political views, sexual orientation, nationality, social and ethnic origin, age or disability |
| ☐ | ☐ | Your suppliers do not discriminate when recruiting, dismissing, transferring, promoting, fixing wages, determining working conditions or in the event of developing competences |
| ☐ | ☐ | All decisions regarding the recruiting, promotion and dismissal of employees, wages and other working conditions are based on relevant and objective criteria |
| | | **Freedom of association**<br>Your business may ensure that: |
| ☐ | ☐ | Employees are not discriminated against or adversely affected by certain decisions because of their union membership or membership of any other association |
| ☐ | ☐ | Your suppliers make no attempts at influencing employees to join a particular union |
| ☐ | ☐ | Trade union representatives are offered protection when carrying out their duties |
| ☐ | ☐ | Suppliers do not interfere with the formation of trade unions or any other unions in the workplace |
| ☐ | ☐ | Employees are not dismissed because of their union membership |
| ☐ | ☐ | A particular union is not given preferential treatment |
| ☐ | ☐ | The right to collective bargaining is respected |
| ☐ | ☐ | Elected trade union representatives are offered special protection against dismissal |
| | | **Occupational health and safety**<br>Your business may ensure that: |
| ☐ | ☐ | Health and safety management system |
| ☐ | ☐ | Fire safety OK, such as fire exits and fire fighting |
| ☐ | ☐ | Lighting |

| MAKE DEMANDS OF YOUR SUPPLIERS | | |
|---|---|---|
| Do today | Relevant in the future | |
| ☐ | ☐ | Mental working conditions |
| ☐ | ☐ | Temperature |
| ☐ | ☐ | Ventilation |
| ☐ | ☐ | Proper safety and protective guard |
| | | **Employment terms**<br>Your business may ensure: |
| ☐ | ☐ | Reasonable terms as regards working hours and holidays |
| ☐ | ☐ | Reasonable wage and employment terms, such as minimum wage in keeping with international standards |
| ☐ | ☐ | Access to eating facilities and drinking water |
| | | **Accidents and health**<br>Your business may ensure such as**:** |
| ☐ | ☐ | General health promotion |
| ☐ | ☐ | Working conditions – incl. accidents |
| ☐ | ☐ | Access to medical treatment and first aid course |
| ☐ | ☐ | Safe buildings |
| ☐ | ☐ | Access to toilet and bath |
| ☐ | ☐ | Training of staff in general health and safety issues |
| | | **Products**<br>Your business may ensure that: |
| ☐ | ☐ | Products do not contain GMO (Genetically Modified Organisms) or that the GMO content is regularly checked |
| | | **Corruption and bribery**<br>Your business may ensure that: |
| ☐ | ☐ | No member of staff gives or receives unjustified benefits from any government officials or private sector employees. |
| | | **Environment**<br>Your business may ensure: |
| ☐ | ☐ | Waste and recycling, such as responsible disposal of hazardous waste |
| ☐ | ☐ | Packaging, such as minimising the use of packaging |
| ☐ | ☐ | Hazardous substances, such as responsible and safe manufacturing, storing, use and handling of hazardous substances |
| ☐ | ☐ | Establishment and operation, such as on-going assessment by the supplier of whether emissions into the environment may be reduced. |
| ☐ | ☐ | Chemicals, such as the supplier does not use chemical substances registered as hazardous chemical substances in international conventions |
| ☐ | ☐ | Environmental life cycle assessment |
| ☐ | ☐ | Active attempt at reducing air pollution |
| ☐ | ☐ | Wastewater, such as treatment and discharge |
| ☐ | ☐ | Environmental management system |

*Source: www.csr-kompasset.dk*

## 5.7. Working on your own with supplier activities 2: Making demands using the CSR compass

The CSR Compass is an internet-based tool designed to help companies make demands of their suppliers: www.csr-kompasset.dk. The CSR Compass is in Danish except the guidance for responsible supply chain management http://www.csr-kompasset.dk/index.php?kodeks=7 (below).
[Can be replaced by a national tool]




**Making a goal-oriented effort** in cooperation with your supplier to observe specific CSR standards may offer numerous advantages. In principle, you and your suppliers have the opportunity to strengthen your corporate profile and improve your competitive edge. The experience of other businesses shows that efforts targeted at suppliers contribute to:

- safe-guarding the corporate image
- creating coherence between values
- attracting institutional investors
- discouraging customers and consumers from deselecting your products or services
- meeting the demands of your own customers
- underpinning your risk management.

When preparing your supplier demands – in the form of guidelines or a "Supplier Code of Conduct", you might find that the five steps below will come in handy:

a) Consider the need for supplier activities
b) Prepare guidelines to your suppliers
c) Implement guidelines in your own business and support the implementation in your suppliers' businesses
d) Audit your suppliers on site
e) On-going follow-up.

### a) Consider the need for supply chain activities

Initially, you need to consider to what extent CSR is required in your supplier chain. Does part of your production take place in countries, where:

- Employee rights are non-existent
- There is a risk of corruption
- There is insufficient environmental legislation
- Local and national regulations are not enforced
- Human rights are not observed.

Do you face CSR demands from customers and business partners, such as:

- Documentation that the company – and its suppliers – meets environmental and social standards?

The above considerations must be included in an overall **risk assessment**, in which you also take a look at whether your corporate image will suffer if your suppliers do not meet social, environmental or human rights standards.

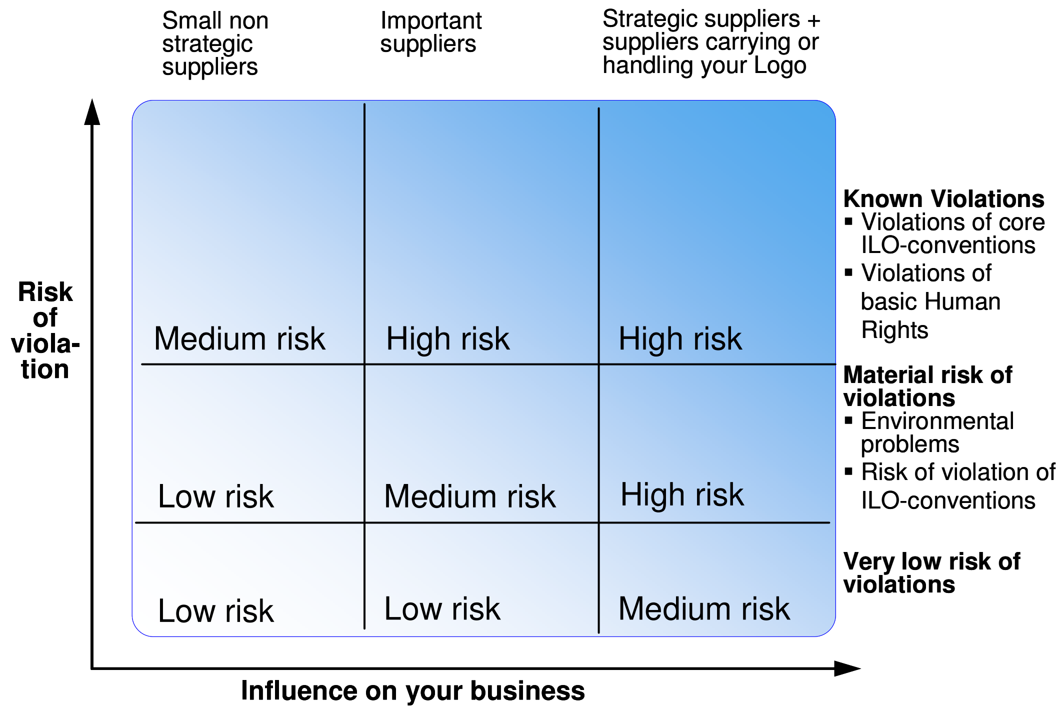
The above assessment leads to an actual risk assessment targeting your efforts at the suppliers who present the *greatest risk*. The purpose of making demands of your suppliers is *not* to terminate the relationship, but to assist them in improving conditions.

The risk assessment may be broken down into four categories:

- Low or no risk
- Medium risk
- High risk
- Unacceptable risk.

**Risk assessment matrix**

When assessing the risk, the below matrix may come in handy:




Furthermore the CSR kompasset has a section about risk assessment, where additional inspiration can be found

**THE CSR COMPASS – WWW.CSRKOMPASSET.DK**

The CSR Compass has been developed by the Danish Ministry of Economic and Business Affairs, the Confederation of Danish Industries and . The website, which is in Danish, includes a number of guidance in English:

- Supplier Code of Conduct
- Supplier Self-Assessment
- Supplier Code of Conduct checklist
- Pre-audit Information to the Supplier
- Corrective Action Request.

For further information, go to www.csrkompasset.dk.

**b) Prepare guidelines to your suppliers**

As mentioned above, it would be a good idea to describe the standards you want your suppliers to meet. This can for instance in the form of a Supplier Code of Conduct. Depending on your market and the geographical location of your suppliers, the guidelines may cover subjects such as:

- Forced labour
- Child labour
- Discrimination
- Freedom of association
- Employment terms and working conditions
- Occupational health and safety
- The use of security forces
- Land administration
- Accidents and health
- Products
- Corruption and bribery
- Environmental protection.

Some of the above subjects may not be relevant to your business, others are highly relevant. Of course, you need to prepare guidelines that match your business. You can download a set of standard guidelines from http://www.csr-kompasset.dk/DI/media/supplier_code_of_conduct.pdf (in English) which may serve as a source of inspiration for your own guidelines. The standard guidelines cover the areas which are traditionally included in supplier guidelines.

**c) Implement guidelines in your own business and support their implementation in your suppliers' businesses**

It is important to include any demands into your regular day-to-day routines. You may attach the demands as an appendix to your supplier contract. Follow-up procedures may then be undertaken in the same manner as you follow-up supplier performance in the context of quality management.

You may require that the supplier:

- Provides documentation that it meets your demands
- Allows you access to its facilities
- Appoints individuals responsible for complying with the guidelines
- Provides documentation that employees have been informed about the guidelines
- Explains how it works with CSR demands vis-à-vis its own suppliers
- Provides assurance that the guidelines apply to small farms and outworkers as well.

**d) Pay audit visits to your suppliers**

An inspection or audit visit may be quite resource demanding for a small or medium-sized company. Instead you may look into whether other companies have paid audit visits to the suppliers or suggest that your suppliers obtain the required certification to prove that they comply with international standards. In addition, you may:

- Arrange an opening meeting with the management
- Interview the supplier's staff
- Go on a tour of the company
- Make conclusions about the audit visit
- Arrange a closing meeting with the management to discuss material observations, conclusions and any necessary follow-up.

### e) On-going follow-up

Ask you suppliers to introduce improvements so that they comply with your guidelines. From http://www.csr-kompasset.dk/index.php?kodeks=7 you can download a standard form to be used when requesting your suppliers to introduce improvements. You may offer to assist your suppliers in complying with your guidelines. The object is not to terminate the relationship, but to help them improve conditions.

## Working on your own with supplier activities 3: UN Global Compact

Global Compact is an international initiative under the UN designed to promote corporate social responsibility. The UN wants the initiative to commit private-sector companies to the solution of some of the major social and environmental challenges following in the wake of globalisation. Global Compact allows companies worldwide to participate actively in the solution of these challenges.

THE GLOBAL COMPACT

**The UN Global Compact** includes 10 principles which form the basis of the CSR idea. The principles have been listed by the UN and relate to how your business may handle social and environmental challenges. Companies are encouraged to lend support to a set of basic values within their sphere of influence:

- Human rights
- Labour
- The environment
- Anti-corruption.

Even though some of the Global Compact principles may already be incorporated into national legislation, they may not be met by your foreign suppliers. As a small and medium-sized enterprise, you can use the principles to make sure that they are adopted by your suppliers abroad and that they communicate their values to customers and stakeholders

**The object of Global Compact is twofold:**

- ✓ Mainstream the ten principles in business activities around the world;
- ✓ Catalyse actions in support of UN goals.

**The ten principles of Global Compact are:**

Human rights

Businesses should

1. support and respect the protection of internationally proclaimed human rights
2. make sure that they are not complicit in human rights abuses.

Labour

Businesses should

3. uphold the freedom of association and the effective recognition of the right to collective bargaining
4. support the elimination of all forms of forced and compulsory labour,
5. support the effective abolition of child labour
6. support the elimination of discrimination in respect of employment and occupation.

Environment

Businesses should

7. support a precautionary approach to environmental challenges
8. undertake initiatives to promote greater environmental responsibility,
9. encourage the development and diffusion of environment-friendly technologies.

Anti-corruption

Businesses should

10. work against corruption in all its forms, including extortion and bribery.

### Advantages to be gained from joining Global Compact

- **Gain a competitive edge by using Global Compact as a frame of reference**
  Businesses may gain a competitive edge as suppliers to large undertakings which to an increasing extent demand that social and environmental considerations be taken into account throughout the value chain. Global Compact is the world's largest voluntary network for social responsibility. The number of companies joining the initiative continues to increase and it is becoming increasingly recognised by the business community and society in general; by joining Global Compact businesses send a clear signal to their customers that they act proactively and take their social responsibility seriously.

- **Visualising efforts targeted at handling heightened demands and new expectations**
  The visualisation and strengthening of your efforts may be an advantage in relation to growing demands from the local community, legislators, banks, lenders, investors and insurance companies which pay increasing attention to social responsibilities when they assess a given company. Likewise, a good corporate image may impact positively on the ability of the business to retain and attract new employees.

- **Ensuring cross-cultural acceptance**
  Global Compact emphasises a set of universal values based on international norms and conventions. Thus, it offers an excellent common frame of reference and a common set of values, which may be used as a basis for cooperating with suppliers and other business partners, regardless of where in the world they operate and their cultural background.

- **Possibility of learning from the experience of others and sharing one's own experience with others**
  Global Compact is an experience-sharing network covering more than 2,400 small and large companies which inspire and motivate each other in the work with Global Compact.

- **Working independently with Global Compact**
  Global Compact is very flexible to use in practice and may be adapted to the particular situation and reality of any business. Businesses decide for themselves how and how soon they want to implement Global Compact. Consequently, it is up to each business to prioritise its efforts and to identify the methods it wants to use.

### Why is UN Global Compact relevant to small and medium-sized enterprises?

A total of 40% of the companies which have joined the Global Compact initiative are small or medium-sized businesses. Global Compact may be relevant to your business, if:

- As a sub-supplier you face CSR demands from you customers
- You want to make CSR demands of your sub-suppliers
- You want to learn from the CSR experience of others – Global Compact is the world's largest experience-sharing network where small and large businesses share their ideas about and knowledge of CSR
- You want to commit to CSR in an easy and not too resource-demanding hands-on way.

### How can you work with Global Compact?

To participate in Global Compact, you must do the following: Send a letter signed by your managing director to the UN Secretary General, expressing your support for Global Compact and the principles. If possible, the letter must be approved by the board of directors.

Subsequently, you should start reviewing your business procedures to incorporate Global Compact and its principles into your strategy, corporate culture and day-to-day routines. Moreover, you are expected to express publicly your support for Global Compact and its principles. This may be done through communication channels such as press releases, speeches, etc. In addition, you must publicly communicate how you support Global Compact and the 10 principles in your annual report, on your website and in any other information material.

**UN Global Compact**

To find out more, go to: www.unglobalcompact.org

## 5.8. Working on your own with supplier activities 4: HRCA Quick Check

HRCA Quick Check is a tool designed to help businesses detect potential human and labour rights violations. It introduces the most fundamental human rights issues to which your business must pay attention. HRCA Quick Check is a less comprehensive version of the overall HRCA tool developed by the Danish Institute for Human Rights with the support of the Industrialisation Fund for Developing Countries, the Confederation of Danish Industries and the Danish International Development Agency.

HRCA Quick Check refers to internationally recognised human and labour rights and is primarily targeted at companies wishing to detect whether *they* and their *subsidiaries* observe the human rights. The tool may also be used to detect whether *suppliers* comply with the human rights.

If you use HRCA Quick Check to check your suppliers, the tool may be used as a questionnaire or as a checklist in connection with audit visits.

HRCA Quick Check is also available in booklet form from the Danish Institute for Human Rights and in an online version. The tool is available in English, Spanish and Chinese. You can set up an account for yourself and your sub-suppliers on: www.humanrightsbusiness.org

HRCA Quick Check relates to human rights violations within three areas:

- Working conditions – the rights of employees and job applicants.
- Impact on society – the rights of members of the local community who are under the influence of the company's activities or products.
- Supplier management – the rights of those under the influence of the activities undertaken by the company's business partners – employees, members of the local community or other stakeholders.

The Quick Check contains 28 main questions and 240 indicators, the main question consisting of:

- Questions
- Possible answers:

| YES | | NO | | OBS! | | IRRELEVANT | | NO INFO | |
|---|---|---|---|---|---|---|---|---|---|

OBS! = further attention required.

- Narrative description of the question
- Reference to international law
- List of suggested indicators.

The suggested indicators are guidelines designed to help you determine whether your business complies with the main question. There are three types of indicators; policy, procedure and performance. It is a good idea to consider the policy, procedure and performance indicators before attempting to answer the main question.

You should remember that HRCA Quick Check is not a *guarantee* that your suppliers or you fully observe human rights. It covers important human rights issues, but cannot fully replace the overall HRCA tool or an external investigation. To improve the results, you may include local stakeholders in a dialogue on the problem areas identified by the HRCA Quick Check.

**HRCA Quick Check**

HRCA Quick Check is available in an online version on www.humanrightsbusiness.org

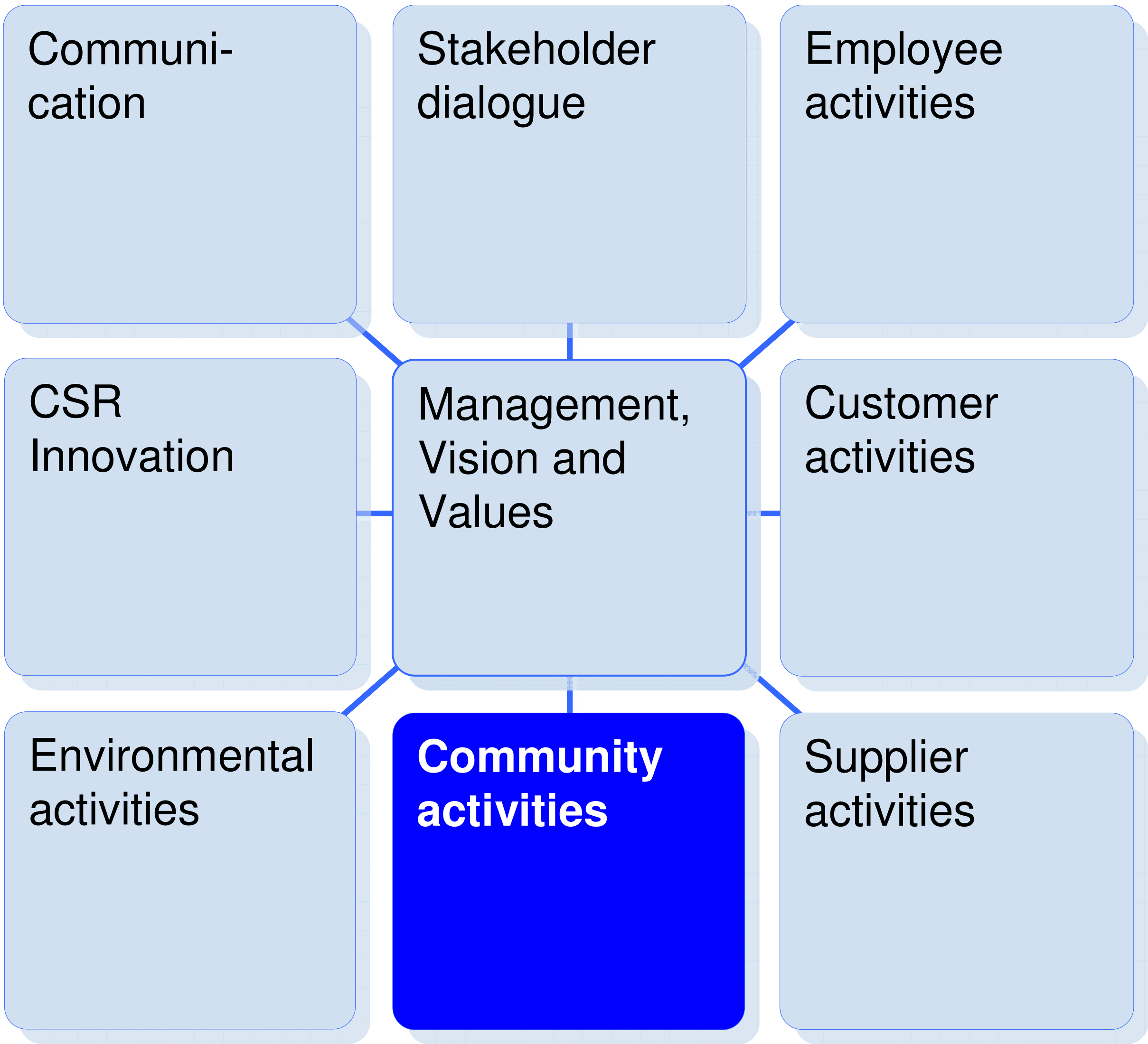
## 5.9. Links

Below is a list of links to tools and websites containing additional information.

- The CSR Compass: www.csrkompasset.dk, http://www.csr-kompasset.dk/index.php?kodeks=7
- FN Global Compact: www.unglobalcompact.org
- HRCA Quick Check: www.humanrightsbusiness.org
- ILO – the international labour organisation's conventions on occupational health and safety and employment terms: www.ilo.org

# 6

# Community activities



# 6. Community activities

Community activities pivot around the business' involvement in society at local, national or international levels. You can work with community activities in many different ways.

This chapter contains an inspiration list of activities you can study in more detail. Before you launch activities, you should consider which ones would be relevant for your business. It may, for instance, be relevant to give monetary gifts and other types of assistance in response to requests from charitable organisations. You may also choose to make available premises by, for instance, allowing a charitable organisation to meet on your business premises.

The following chapter will focus on activities in the areas of community support and investments as well as partnerships with educational institutions.

Many businesses work with community support in the form of sponsorships, i.e. the business donates money to charities, events, and culture or sports clubs. Sponsorships are often selected with a view to achieving media coverage and enhance the business' reputation. Some businesses motivate their employees by matching employee donations for selected objectives.

Businesses can also contribute to society by enabling employees to perform voluntary work and allowing them to spend time on charitable work, such as board membership at schools, sports clubs or foundations.

In addition, a business could encourage part-time project tasks by, for instance, freeing employees during their paid working hours to allow them to work on a specific charitable project. Examples could be guiding school children or advising other employees in need of support (see also the mentor scheme described in the section on employee activities).

Another approach to community activities focuses on cooperation with educational institutions, i.e. offering apprenticeships, traineeships and practical traineeships or entering into project partnerships with students from universities and business schools. You could also organise school visits to the business or tour schools to debate various subjects. Ideas for partnerships with educational institutions will be elaborated at the end of this chapter.

## 6.1. What are strategic community activities?

Strategic work in community activities implies that you must assess what benefits your business would achieve from it. Off hand, you can consider a range of relevant aspects. You could, for instance, consider working with community activities if your business has key importance to the community or if you sell your products in the community. Community activities would enhance your business' reputation in the community, in this way making it easier to recruit and retain employees. You could also develop employee competence through charitable projects.

## 6.2. The effect of strategic community activities

A business could have many different reasons for wanting to perform community activities, and you would benefit from clarifying in advance what you could glean from the activities you choose to perform. Below follows examples of reasons for performing community activities:

- Make the business an attractive workplace for employees and make current employees proud of their workplace
- Contribute to compiling new experience and learning in the business through working with organisations and areas, in which the business has not operated before. In many cases, such experience can be applied in the business' future development
- Ensure the availability in your community of resources you need – qualified labour or development opportunities for partnership businesses.

## 6.3. What do the others do?

[The case is Danish and can be replaced by a national example on community activities]

CASE: FRØS HERREDS SPAREKASSE

Frøs Herreds Sparekasse is a local bank in the southern part of Jutland with eight branches and 105 employees. The bank is an excellent example of how commitment in the community pays off, if integrated in the business' general strategy.

The bank has determined that the money it earns should be put to work in the community. This is the bank's reason for organising a wide range of events that are quite unconventional to a bank. In 2005, the bank organised a globalisation conference with prime minister Anders Fogh Rasmussen as the main speaker. The conference focused on how the new, global reality impacts on the regional business community. No less that 1,429 people participated. A presentation of a healthier life in balance attracted 800 local participants. The bank also sponsors 157 local sports and culture associations, such as Haderslev Sports Associations, Team Esbjerg and Ribe Chess Club.

But does it pay off? *"We can see that customers find us sympathetic as a bank because we are accountable. We give a little back, instead of just being on the receiving end. And it creates cohesion and loyalty in both directions"*, explains Flemming Simested, development manager of the bank. The bank boasts customer satisfaction as high as 96%.

In this way, social accountability results in loyal customers and an excellent reputation. But it also creates more interesting jobs for employees, a decisive factor in the bank being selected as Denmark's second best workplace of 2005.

## 6.4. Some good advice

A large number of small and medium-sized businesses are already engaged in community activities. The involvement may have many different reasons. Use the advice and the working-on-your-own activities when you consider strategic community activities.

### Motivation

Consider your motivation for performing activities in the community. In which areas do you specifically need to improve your business' position in the community, and what do you want to achieve through the activities? Examples:

- Improved reputation
- Supplement to marketing and attracting new customers
- An attractive workplace for current and future employees
- Other

### Involvement

Involve your employees. Open up a dialogue with your employees to hear their opinions on activities in the community. Quite often, they have excellent knowledge on conditions in the local community, and if your employees support the activities, you ensure that they are embedded in the community and represent an excellent starting point for the business.

### Identification

Identify the activities in your community you would benefit from becoming involved in.

- Find out which problems exist in your community. You can open up dialogues with your employees, customers, suppliers, local business associations or local authorities to hear their ideas for the areas where your business can make a difference in the local community.
- Contact local associations. Find out what they are involved in and how you could benefit from entering into partnership with them.
- Consider how your business can contribute to the community so that it also makes a difference to your business. Consider the following:
  - What resources/competences can you contribute?
  - What benefits will you reap from the community activities?
  - Which activities support your core business best?

## 6.5. Working on your own

Below follow suggestions for various community activities which you could continue working with at home.

**Working on your own with community activities comprises the following sections:**

1. Clarification form for community support
2. Which community activities can you work on?
3. Assessment model for community activities
4. Cooperation with educational institutions

## 6.6. Working on your own 1: Clarification form for community support

One aspect of community activities is that your business is a committed player in the community. By supporting your community, your business may win a positive reputation, and you can create excellent contacts to association communities, citizens and authorities. When supporting the local community, you should carefully select activities that agree with your core business and values. This approach will ensure the most efficient use of your resources, so that both the local community and your business will benefit most from the work.

Use the form to get started. It encompasses the key aspects you would benefit from considering. Of course, your business may face other challenges which you also need to consider.

| | Comments |
|---|---|
| **1. Consider the aim of supporting the community:**<br>a) Improve the business' reputation in the community<br>b) Remedy specific problems in the community<br>c) Improve awareness of you business in the community<br>d) Influence the community<br>e) Network in the community<br>f) Other | |
| **2. Find out if you already support the community and how** | |
| **3. Determine who should initiate the support of the community – e.g.:**<br>g) Manager<br>h) Specific employee<br>i) Others | |
| 4. **Identify your options for supporting the community, e.g.:** | |
| j) Specific problems in the community which your business is in a position to remedy | |
| k) Cooperate with cultural associations, such as theatrical or art associations | |
| l) Work experience places for local schools | |
| m) Cooperation with local authority on, e.g. taking in and helping young people with problems | |
| n) Support local sports clubs | |
| o) Cooperation with local schools by giving, e.g., presentations at schools | |
| p) Other | |
| 5. **Assess and prioritise in which areas your business would best be able to support the community in the light of the goal you wish to reach** | |
| **6. Set up concrete goals for the support your business will give** | |
| **7. Evaluate whether, by supporting the community. the business achieved the selected goals** | |

*Source of inspiration: Community Mark*

The following section could help you determine which activities are relevant for you to work with.

## 6.7. Working on your own 2: Which community activities can you work on?

To launch the optimum strategic initiative, you have to identify the community activities that are the most valuable to your business. As community activities cover many activity types, some areas will probably be more relevant for your business than others. Consider which CSR subjects are most relevant in relation to your core business.

For this purpose, you can use the form below.

| **Community support and investments – e.g.:** | | |
|---|---|---|
| Do today | Relevant in future | |
| ☐ | ☐ | Partnership with charitable organisations |
| ☐ | ☐ | Participate in professional networks for companies in the community |
| ☐ | ☐ | Make premises available – e.g. allow a charitable organisation to hold meetings in your premises |
| ☐ | ☐ | Lend equipment – e.g. allow a local association to use your equipment to produce marketing material or use company cars |
| ☐ | ☐ | Donate used equipment, etc. to associations or others—e.g. obsolete IT equipment or furniture |
| ☐ | ☐ | Other ___ |
| | | **Contribution and sponsorships – e.g.:** |
| ☐ | ☐ | Donate/give funds to charitable purposes |
| ☐ | ☐ | Monetary gifts and other types of assistance in response to requests from charitable associations |
| ☐ | ☐ | Sponsor events in the community |
| ☐ | ☐ | Support local sports clubs |
| ☐ | ☐ | Cooperate with cultural associations, such as theatrical or art associations |
| ☐ | ☐ | Other ___ |
| | | Free employee time for involvement in charitable work – e.g.: |
| ☐ | ☐ | Enable voluntary work and allow employees to spend time working for charitable purposes – e.g. as board member at schools, in sports clubs or foundations |
| ☐ | ☐ | Encourage part-time project tasks - e.g. by freeing employees during their paid working hours to allow them to work on a specific charitable project. Examples could be guidance of school children |
| ☐ | ☐ | Other ___ |
| | | **Cooperation with educational institutions - e.g.:** |
| ☐ | ☐ | Work experience places for local schools |
| ☐ | ☐ | Offer apprenticeships, traineeships and practical traineeships |
| ☐ | ☐ | Project partnerships with students from universities and business schools. |
| ☐ | ☐ | School visits to your business |
| ☐ | ☐ | Cooperation with local schools by giving, e.g., presentations at schools |
| ☐ | ☐ | Other ___ |

## 6.8. Working on your own 3: Assessment model for community activities

To work strategically with community activities, you should evaluate the pay-off of the activities. You can use the model below to evaluate your community activities. Use the model to show your stakeholders the outcome of your community activities and to evaluate the effectiveness of your community activities internally in your business.

Note in the *input* column how many resources you have used on a specific activity and in the *output* column which results you achieved through the activity. Include a specification of the resources supplied to the activity from other sources than your own business.

Of course, it may be difficult to determine precise figures for such activities, but the model provides you with an overview suited to give an indication of the outcome.

The website, www.lbg-online.net, explains the model in more details and gives examples of how other businesses have used the model.

| | Input | Output | | |
|---|---|---|---|---|
| | Resources (services, time or money) | Resources from other sources than your business | Benefit for community (e.g. number of people benefiting from the programme) | Benefit for your business |
| Charity | | | | |
| Investments in the community | | | | |
| Initiatives in community which directly support your business | | | | |

## 6.9. Working on your own 4: Cooperation with educational institutions

You have innumerable options if you want to cooperate with various educational institutions such as primary and lower secondary schools, upper secondary schools, business colleges, technical colleges, universities and many others. This section focuses on selected methods, in which you can cooperate with students from higher educational institutions, but many businesses have benefited greatly from working with local primary and lower secondary schools and business colleges.

**TRAINEES FROM BUSINESS AND TECHNICAL COLLEGES**

If your company wants to take in a trainee from a business or technical college, you can offer a traineeship if they offer training periods in the study programme.

All types of businesses have wide ranges of options available for finding trainees. Business and technical colleges often face a severe lack of companies that offer traineeships for their students. Almost all study programmes at such colleges have mandatory trainee schemes for their students. If you are looking to work with local schools, the traineeship option will help you become visible.

Traineeships or apprenticeships may also be a way to facilitate recruitment of new employees. Often, the traineeship will allow the trainee and the company to test each other. If both parties have had a good experience, the company may offer the trainee employment.

### Focus on cooperation with universities, technical universities and business schools

You can work with higher educational institutions in several ways – we have chosen to focus on:

- **Traineeships** for students at universities, technical universities and business schools
- **Project partnerships** for students at universities, technical universities and business schools

As mentioned before, you should consider what you want to achieve through any activity you select to launch. By cooperating with universities and business schools, your business can achieve a number of advantages, including contacts to students even before they graduate, which will help ensure stable recruitment of employees to your business. In addition, a new set of eyes will look at your business. This may cause you to question old habits and routines, so that you will be able to organise your business in a new and better way. In time, educational activities represent a good investment in society, as they increase the general competence level.

### Trainees

There are numerous ways of having a student from a higher educational institute take a traineeship in your business. Many students at higher educational institutions would like a traineeship in a business as an aspect of their studies. The reason is that a traineeship will enable them to use some of the competences they have achieved through their studies. By offering traineeships, you can both help increase the students' competences and have extra labour at your disposal for a period of time. Trainees constitute an extra resource that can apply a new approach and support the daily work tasks. Trainees may, for instance, help planning and implementing projects.

As a place of practical training, your business must give the trainee tasks that correspond to the tasks a new graduate must be expected to solve, with the difference, however, that you must be prepared to give the necessary advice and guidance in the process.

Via trainees, your business obtains access to qualified labour and cutting-edge knowledge in your business area. Additionally, you can profile your business as an attractive workplace vis-à-vis soon-to-graduate candidates.

The form describes the steps you can take to find a suitable trainee.

### Form 4: Hire a trainee

| Activity | Comments |
|---|---|
| **1. Identify the goal of hiring a trainee – e.g.:** | |
| a) Make new graduates aware of your business<br>b) Create a wider network among certain professional groups<br>c) Test employees with different profiles or competences than you normally employ<br>d) Use as a tool to recruit employees<br>e) Other | |
| **2. Determine what tasks you want the trainee to help solve - e.g.:** | |
| a) Specific tasks that need solving<br>b) Be part of a department on equal footing with other staff<br>c) Be employed for a specific project<br>d) Other | |
| **3. Determine who should be responsible for recruiting a trainee for your business – e.g.:** | |
| a) HR manager<br>b) Immediate superior<br>c) Project manager<br>d) Others | |
| **4. Determine where you can find a trainee with the profile you want – e.g.:** | |
| a) Identify relevant universities in your geographical area. | |
| **5. Consider who should be the trainee's contact during the scheme – e.g.:**<br>You should make sure that the trainee has a fixed contact throughout the entire scheme. The contact should introduce the trainee to your business, advise and help during the traineeship and ensure that the traineeship is evaluated jointly with the trainee | |

| Activity | Comments |
| --- | --- |
| a) Department manager<br>b) HR manager<br>c) Employee<br>d) Project manager<br>e) Others | |
| **6. Consider in which framework the traineeship should be realised – e.g.:** | |
| a) The trainee place is not obliged to pay trainees salary during the traineeship. But a small salary may indicate to the trainee that you appreciate his/her work.<br>b) Which physical framework will you make available? Desk, office, pc, etc.?<br>c) Other? | |
| **7. Prepare a traineeship advertisement based on your considerations.**<br>See the inspiration list below when you prepare the advertisement | |
| **8. Consider how the traineeship should be evaluated**<br>It is a good idea to evaluate the scheme regularly with the trainee. It may help your business and the trainee to achieve more from the scheme. | |

### Project partnerships

Many businesses have placed projects on the backburner because nobody has time to perform them. Many companies would, for instance, benefit from examining whether their products match target group expectations, whether communication in the company can be improved or other aspects.

If you have such projects, you could contact a group of students from one of the universities and offer them the possibility of running a project together with your company. This way, you can solve a task you could not find time for yourself, while the students gain valuable experience for their education. You could either define the project you want the students to realise or you can allow the students to inspire you to reach a research question.

Projects involving students could focus on:

- Communication and PR activities
- Financial problems
- Organisational analysis
- Product development
- Logistics and optimisation
- Technological and environmental studies
- Segment analysis and market strategy

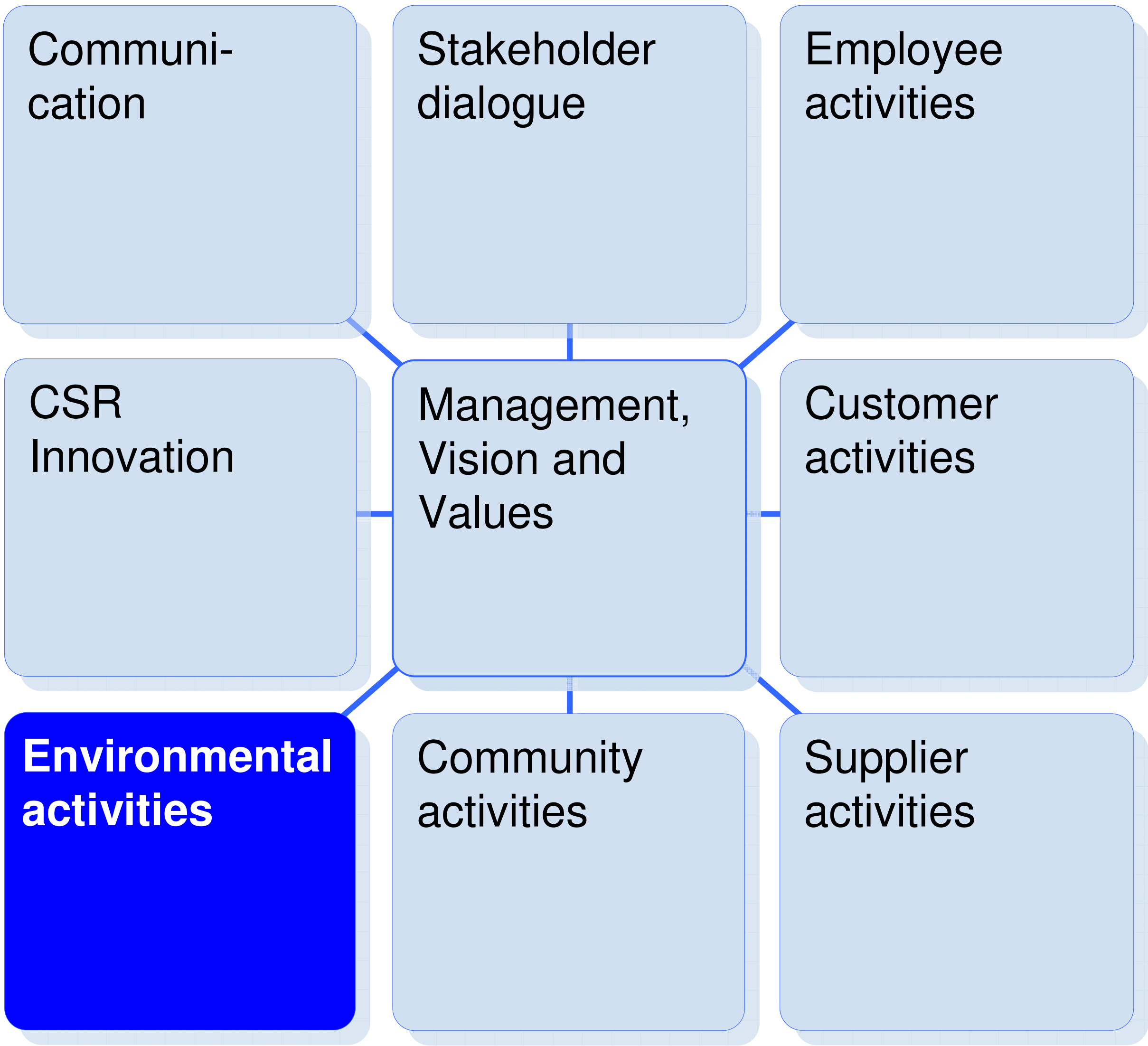
You can use the form below as a work plan aimed at launching a project partnership.

## Form 5: Project partnership with students

| | Comments |
|---|---|
| **1. Identify the aim of establishing a project partnership – e.g.:**<br>a) Realise a project none of your employees have time for<br>b) Make your business visible in relation to universities<br>c) Try a fresh approach to the company<br>d) Other | |
| **2. Determine what type of tasks you want the partnership to help solve - e.g.:** | |
| a) Specific tasks that need solving<br>b) Prepare a new project, in which you want to influence the project subject<br>c) Other | |
| **3. Determine who should be responsible for the partnership in your business – e.g.:** | |
| a) HR manager<br>b) Immediate superior<br>c) Project manager<br>d) Others<br>**4. Consider which profile the students should have – e.g.:** | |
| a) Natural science profile<br>b) Humanities profile<br>c) Social science profile<br>d) Business school profile<br>e) Technical science profile<br>f) Mixed profile<br>g) Other | |
| 5. **Find out where you can find the project group profile you want – e.g.:**<br>Obtain additional contact information from regional educational institutions | |
| **6. Consider who is to be the contact to the group during the project - e.g.:** | |
| a) Department manager<br>b) HR manager<br>c) Employee<br>d) Project manager<br>e) Others | |
| **7. Consider in which framework the partnership should be realised – e.g.:** | |
| a) Time schedule<br>b) What material will you make available?<br>c) Will you have to take confidentiality into consideration?<br>d) Budget<br>e) Other | |
| **8. Set up a range of goals for your partnership** | |
| **9. Consider evaluating the project jointly with the students** | |

# 7

# Environmental activities



# 7. Environmental activities

This chapter deals with CSR activities aimed at your business' environmental activities. Environmental activities imply that you consider how your production, products and services impact on the environment.

The chapter is organised as an environmental management toolkit, showing how management and staff together can set the level of ambition for their environmental management activities. On the basis of your choice, you can prioritise where to target your efforts for the benefit of your business and the environment in terms of time and costs[8].

The toolkit is available to businesses with no previous experience in environmental management as a strategic tool. For further inspiration, we recommend EMAS toolkit for small organisations: http://ec.europa.eu/environment/emas/toolkit/. **[Can be replaced by a national tool]**

Finally, the chapter presents a world map of environmental initiatives, allowing you to see the connection between this handbook and the initiatives and discussions you can follow daily in the press and from the authorities. The world map does not answer everything but provides an overview of important initiatives in strategic environment globally, in the EU and in Denmark. All the initiatives impact on businesses today and will continue to impact them for many years to come. The world map contains a number of links, which you can check out if you want to learn more about this topic.

## 7.1. What are strategic environmental activities?

Strategic environmental activities in the CSR area involve regular changes in your business' work processes and composition of products and services that lead to reduced resource consumption and/or reduced discharges to the environment and increased competitiveness.

Strategic environmental activities aimed at your business' resource consumption are particularly effective in reducing costs.

Strategic environmental activities may include:

- Introducing **good housekeeping** (e.g. pollution prevention, reducing energy and water consumption)
- Making demands of the **supply chain** (e.g. environmental requirements of raw materials and adjuvants)
- Introducing **cleaner technologies** (least polluting technologies)
- Making product design changes (**Eco-design** and minimising packaging).

The figure below shows the strategic environmental activities related to resource consumption, discharge and those of your own business' products you can impact.

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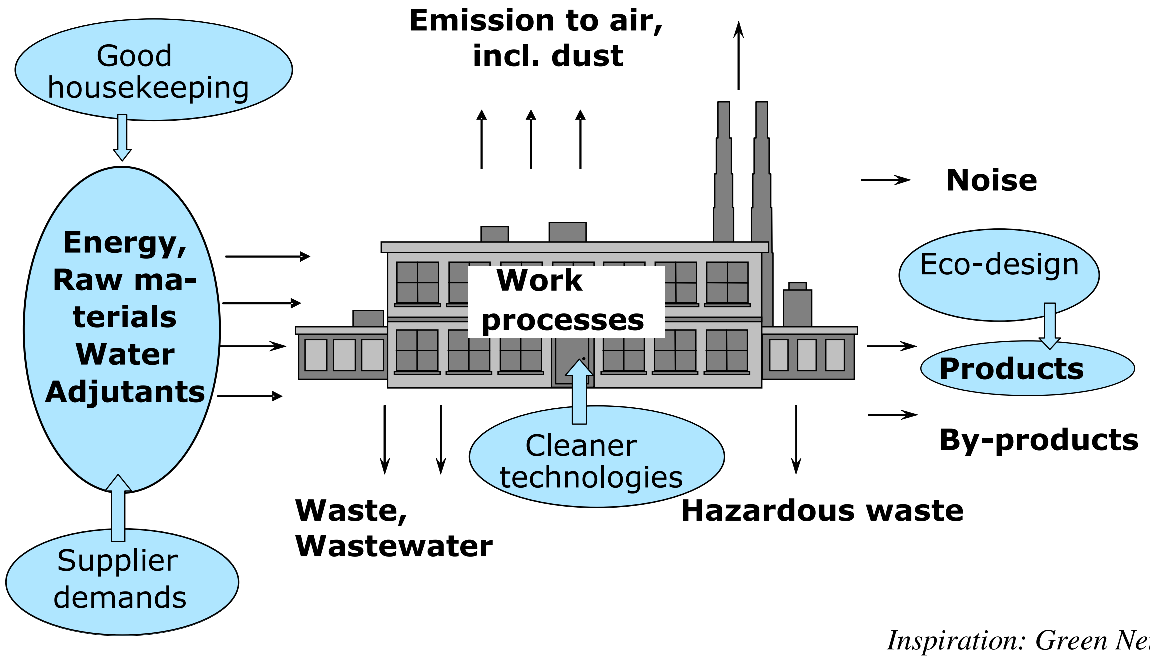
[8] The toolkit is primarily built on the free interactive environmental management website, Environmental management in practice (http://www.miljostyring.dk – in Danish) of the Danish Federation of Small and Medium-Sized Enterprises.

**Figure 7.1: A business' resource consumption, discharges and products**




*Inspiration: Green Network*

## Environmental management is *the* tool

Environmental management is a management tool you can use when working with strategic environmental activities. Environmental management implies a systematic and organised effort involving management as well as staff. All experience shows that such changes can only be implemented successfully if they are made in cooperation between management and staff.

It is therefore a question of jointly prioritising the environmental effort that exceeds observance of statutory environmental requirements. This handbook assumes that your company comply with current environmental legislation and therefore focuses on the areas where you can introduce continuous improvements of bottom-line, environmental performance and competitive advantage.

## Choice of level of ambition

Environmental management can be introduced at myriad levels of ambition. It is a question of choosing the level of ambition you want to pursue or may be forced to pursue. The choice must be considered in relation to your suppliers, customers, bank or insurance company.

However, it is always a good idea to introduce **good housekeeping** of resource consumption and regularly visualise and realise savings possibilities that also benefit the environment. Good housekeeping may include electricity, water, reduction of waste and increased reuse.

The next step is to start a more systematic yet **simple form of environmental management**, which, besides ensuring good housekeeping, also considers how you can prevent and reduce discharges to e.g. air and water and reduce the amount of hazardous waste. This often requires more comprehensive mapping where focus will be on use of chemicals in the business since environment and health are often linked to the effect of using either solid or liquid chemical substances or products.

It is our experience that if businesses introduce good housekeeping, you can “save up” for more resource-intensive environmental improvements like replacing one technology with a less polluting technology.

The next step up the ladder is to introduce an **ISO 14 001 environmental management system.** Today, simple software tools are available to make it easier to get through all the requirements of the standard. If you want your system to be **certified**, or if certification is a customer requirement, it will imply an initial expense for the certification process and annual expenses for maintaining the certificate.

ISO 14 001 does not include requirements for an external environmental statement, but EMAS (EU Eco-Management and Audit Scheme) does, which also include other requirements in addition to the ISO 14 001 requirements. You can be registered under the scheme if you make an environmental statement and have it verified. EMAS is widely used in the German market and in the graphics industry in Denmark. However, EMAS registration is also quite costly.

The figure below shows three different levels of ambition where your business can start its environmental efforts.

**Figure 7.2: Level of ambition**


## Good housekeeping

Saving resources is a matter of good housekeeping. Good housekeeping involves initiatives that can be implemented immediately without major financial or organisational costs or changes in your business. Good housekeeping may involve:

- reducing waste of raw materials
- changing work procedures
- increasing reuse of packaging and other materials
- substituting hazardous substances with less hazardous alternatives. You can do this when less hazardous substances are immediately applicable without affecting your production processes negatively.

It is often also a matter of changing bad habits into good ones, e.g. by turning off the light and PC when you leave the workplace. Good housekeeping may also involve extensive measures requiring more comprehensive and investment-intensive changes, typically in the form of new processes, raw materials or products (new design).

## Supplier demands

You can also choose to make demands of your suppliers. Supplier demands will be described in detail under “Supplier activities”, but an important part of making demands of your suppliers is to set up requirements in the environmental area.

Your suppliers are the key to knowledge about and reduction of all the environmental impacts that exist prior to your own production. Furthermore, your knowledge about substances in e.g. chemicals and semi-manufactures, which may have a massive effect on the overall environmental impact of your products, should come from the suppliers.
It may seem to require a great effort for your business to demand environmental documentation or environmental improvements in addition to requirements for price, quality, reliability of supply, etc. However, experience shows that as long as the requirements are well-reasoned and you are open to dialogue, cooperation with suppliers will often evolve positively.

For more information see the chapter on Supplier activities or use the Danish CSR compass http://www.csrkompas.dk/DI/media/supplier_code_of_conduct.pdf (in English) if it is relevant for your business to make demands of your suppliers – either in the environmental area or in other areas. [Can be replaced by a national tool]

### EXAMPLES OF GOOD HOUSEKEEPING, CLEANER TECHNOLOGY AND PRODUCTS

**Energy & water**
- Turn off electricity/PC - standby switches
- Tighten taps and install water-saving toilets

**Raw materials/adjuvants**
- Minimise waste – increased reuse
- Replace hazardous substances with less hazardous alternatives
- Purchase eco-labelled products e.g. the European Flower
- Supplier requirements and codes of conduct

**Cleaner technology**
- New technology which is energy-efficient and uses less water

**Products**
- Minimise use of packaging
- Eco-design – more environment-friendly and reusable products
- Life-cycle assessment

## 7.2. Effects of environmental activities

- Energy and water consumption savings engender cash benefits. Indeed, much money can be gained on energy savings and energy rationalisations since oil prices are expected to remain high.
- Increased reuse and less hazardous waste also saves many green taxes.
- Besides being the least polluting, cleaner technologies are often also energy efficient.
- In specific cases, environmental management may result in lower insurance premiums.
- Environmental management will make it easier to document your environmental performance in connection with tendering and thus increase your chances of winning.
- As sub-contractor of large groups, you will often need to have an environmental management system.

## 7.3. What do the others do?

**[The case is Danish and can be replaced by a national example on environmental activities]**

**Copenhagen Zoo** is one of the oldest zoological gardens in Europe. Copenhagen Zoo has approx. 130 employees.

The zoo has installed electricity meters in all buildings and energy-saving lamps in all administrative buildings. Furthermore, the garden reuses animal droppings to cultivate the ground. The garden is currently considering whether it is possible to use biogases for energy production.

The environmental efforts have resulted in financial gains:

- Water consumption has been reduced by up to 23%
- Electricity consumption has been reduced by 3%
- Heat consumption has been reduced by 12 %

Copenhagen Zoo has gone all the way and has become EMAS certificated. Copenhagen Zoo is the first EMAS registered zoo.

## 7.4. Good advice

- Spend time assessing the areas that are candidates for environmental activities in your business
- Choose an area where you can make a difference
- Include all in the business – both managers and staff

## 7.5. Working on your own

The following section primarily allows you to determine how far your business has come in its environmental work. Furthermore, you can read more about environmental management according to ISO 14 001 and EMAS and environmental statements.

**Working on you own with environmental activities comprises the following sections:**

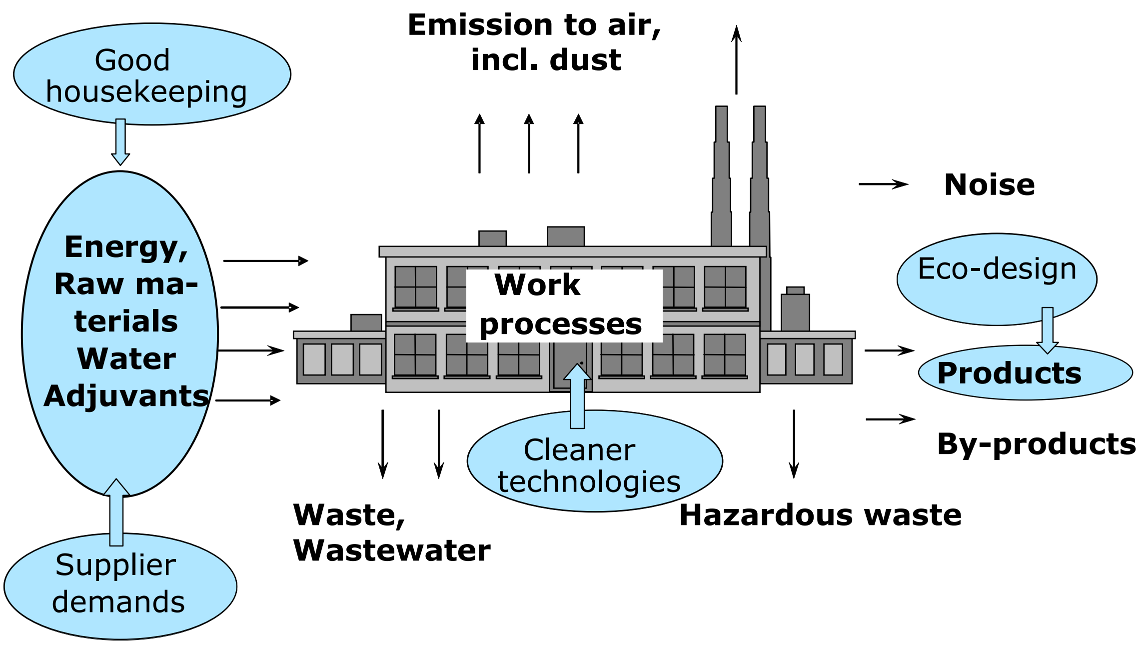
1. Questionnaire
2. Environmental management
3. Environmental management under ISO 14001:2005 and EMAS
4. Environmental economy in small and medium-sized enterprises

## 7.6. Working on your own 1: Questionnaire

Use the questionnaire below to determine how far you have come with your environmental activities.

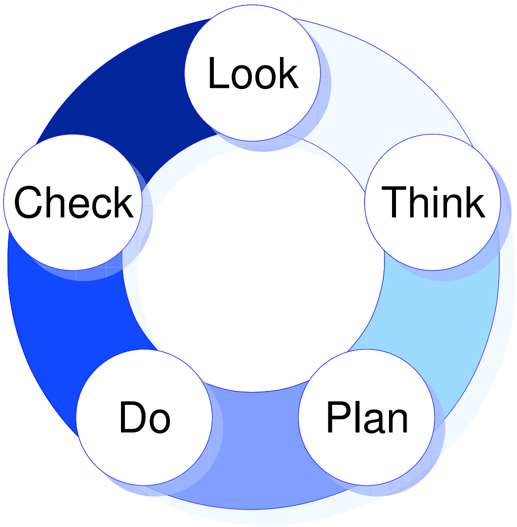
If you can answer yes to all the questions, it is probably because you have a formal ISO 14 001 environmental management system. In the areas where you answer no, you should think about whether there are any strategic gains by doing something about it.

Use the figure below as inspiration when you complete the form on the next page.



| | Yes | No | Not relevant |
|---|---|---|---|
| **Management commitment** | | | |
| Do you have an environmental policy? | | | |
| Do all employees know about the environmental policy? | | | |
| **Communication** | | | |
| Do you communicate your environmental policy? E.g. on your website, to your customers. | | | |
| Do you communicate your environmental activities? E.g. on your website, to your customers. | | | |
| **Environmental targets** | | | |
| Do you have any environmental targets for resource consumption? | | | |
| What are your targets for recycling? | | | |
| Do you have any environmental targets for discharges? | | | |
| Do you check your customers' needs? | | | |
| **Internal environmental activities** | | | |
| Do you make life-cycle assessments of your products? | | | |
| Do you make annual action plans? | | | |
| Have you appointed an environmental manager? | | | |
| Have you taken the initiative to embed the environment among your employees? | | | |
| Have you made any environmental projects during the past year? | | | |
| Is the environment a permanent item at management meetings or in the joint consultative committee? | | | |
| **Production and products** | | | |
| *Raw materials and adjuvants* | | | |
| Do you register your resource consumption? | | | |
| Do you try to reduce waste of raw materials systematically? | | | |
| Do you make demands of the supplier's use of hazardous chemical substances? | | | |
| Do you substitute hazardous chemical substances will less hazardous alternatives where possible? | | | |
| Do you make environmental requirements of your (key) suppliers? - e.g. of environmental certification. | | | |
| Do you purchase environment-friendly or eco-labelled products when possible? | | | |
| *Energy and water* | | | |
| Do you promote energy-saving? | | | |
| Do you promote water-saving? | | | |
| *Discharges* | | | |
| Do you register discharges to the environment? | | | |
| *Processes and equipment* | | | |
| Do you purchase the least polluting technology and/or equipment (Best Available Techniques)? | | | |
| *Products* | | | |
| Do you sell waste products for recycling? | | | |
| *Reporting* | | | |
| Do you prepare an annual environmental statement? | | | |
| **Other, please specify** | | | |
| | | | |
| | | | |
| | | | |

## 7.7. Working on your own 2: Environmental management




**The environmental management process**

This section will focus on the strategic environmental work by showing how to apply the circle illustrated systematically. You will see how you can apply the individual steps of the environmental management circle. If you choose to introduce environmental management, it would be best to go through the steps of the circle once a year.
You can also learn more about the environmental statement if you want to tell your surroundings, customers, bank, insurance companies, neighbours, etc. about your environmental activities.

*Danish Federation of Small and Medium-Sized Enterprises, www.miljostyring.dk*

### Introduction to the environmental management circle

Environmental management engenders the best result if it takes place in cooperation between managers and staff. One of management's first tasks is therefore to consider how to include the staff in the assignments. Staff members are both a good source where you for instance can improve housekeeping and the ones who in practice ensure that you reap the benefits.

### 1. Look: Mapping

Once you have decided to introduce environmental management, the first thing you can do is to map out your business' environment. The mapping provides an overview and forms the entire basis of the further environmental activities. The mapping includes:

**a.** Registration of work processes – the necessary basis for introducing environmental management
**b.** Mapping of environmental issues – creates an overview of your environmental issues
**c.** Mapping of resource consumption - creates an overview of the consumption of raw materials and adjuvants
**d.** Mapping of waste – enables organisation of the entire waste handling
**e.** Mapping of machinery and equipment - gives an overview of the need for maintenance and replacement
**f.** Overview of statutory requirements - ensures knowledge of relevant environmental legislation

### 2. Think: Assessment and prioritisation of problems and solutions

After the mapping, you can assess and prioritise any environmental problems found so that you can start with the most important matters. Make sure to set realistic goals and not to approach all problems at once. At this stage, you can also prepare targets for the environmental activities. As a business, you can:

- **prioritise your environmental problems** - elaborates on the prioritisation of problems found during the mapping process

- **formulate an environmental policy - objectives and targets** - sets the course for and the contents of the environmental management activities
- **include staff** – provides several crucial inputs – and embeds the environmental activities throughout the business
- **ensure internal communication** - ensures ongoing exchange of information about the environmental management activities

### 3. Plan: Who solves which problems, how and when?

Once you have decided where to target your efforts, you can prepare action plans for the coming activities – this involves sub-objectives, time schedules, distribution of responsibilities and allocation of resources to the individual activities. Action plans can be both short-term and long-term. You can continuously check that the objectives are met and that your business complies with your environmental policy. The planning stage involves the following activities:

- **Preparation of action plans -** to ensure reasonable planning of the specific environmental activities
- **Preparation of an overview of action plans** – to ensure overview of the pending environmental tasks

### 4. Do: The action plan is implemented – problems are solved

During this stage, the specific assignments stated in the action plans are launched and completed. This is therefore also the stage where most will start determining their external communication about their business' environmental efforts. You can explain you environmental efforts to your stakeholders.

You can do so on your website, via newsletters, in offers, though external communication with neighbours or in connection with the dialogue with staff about the environmental management activities or other activities.

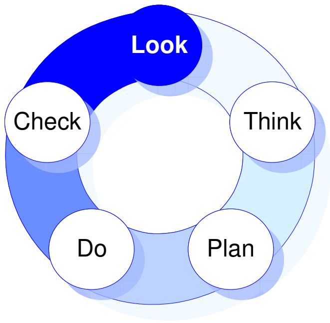
You can also prepare a voluntary environmental statement or green accounts presenting your environmental impacts and your efforts.

### 5. Check – evaluation – did we reach our goal?

It is a good idea to follow up regularly whether the action plan goes according to plan or whether it needs to be adjusted. You should make an overall assessment of whether the action plan has had the intended effect at least once a year.

It is also necessary to check the environmental management system at intervals to ensure that the environmental policy, the environmental objectives, the environmental targets correspond with the work performed. Are the targets reached? Do parts of the system need to be changed because they do not work? Or because authorities, customers or others change their requirements?

## Look: Environmental mapping[9]




### 1. What to map?

Examples of areas you can map in your business:

Resources (input)
- Energy
- Water
- Raw materials
- Adjuvants

Discharges (output)
- Waste
- Hazardous waste
- Wastewater
- Emissions to the air

Noise
- Product content (output)
- Focus on specific content, e.g. chemical substances
- Supplier demands
- Product life cycle – from cradle to grave

Others
- Recycling and disposal possibilities
- Eco-labelling: The Flower

Mapping is the cornerstone of environmental management. Without mapping, you will have no basis for reducing resource consumption and the environmental load from discharges or making an environment-friendly product. It is therefore a good idea to spend time on this activity. Mapping can be more or less detailed.

Do not map everything. You do not have to map the number of paper clips in the office or mail delivery in your business. Use mapping to realise resource savings and environmental improvements.

Consider whether customer requirements may impact your environmental management system. You can also achieve environmental improvements by making demands of your suppliers.
Mapping comprises:

| | | | | | |
|---|---|---|---|---|---|
| Registration of work processes | Mapping of resource consumption | Mapping of environmental aspects | Mapping of waste | Mapping of machinery and equipment | Product composition |

[9] Inspired by the Danish Federation of Small and Medium-sized Enterprises: www.miljostyring.dk

### Registration of production processes

For production companies, it may be useful to prepare a diagram of the production flow – from receipt of raw materials through processing to the finished product. To be able to target the problems, it may be a good idea to identify the individual source of discharge or waste. The related work processes are registered for the flow. This registration ensures that you get into all corners of your business.

For a landscape gardener, a work process may be *"stone facing"*, for an iron and metal business, it may be *"metal plate cutting"* and for a butcher, it may be *"cleaning of machines"*.

Appoint a person to make the list of work processes. This may be a staff member who sits on your business' environmental (and safety) committee. Otherwise, make a draft list. Discuss it at staff meetings so that you catch any omissions.

### Mapping of resource consumption

It is useful to gain an overview of the resources most used. For some small service companies, the consumption of raw materials and adjuvants can be so limited that they can dispense with the mapping of resource consumption entirely. You should not map just for the sake of mapping but to achieve resource savings and environmental improvements. You should therefore get an overview of the important resources (i.e. raw materials and adjuvants) that are involved in the production.

**Tips**

- Assess whether the consumption of water and energy must be mapped
- You can find information about many of the materials and substances, etc. you use on a regular basis from your financial system.

### Mapping of environmental aspects

**Tips**

- Make a list describing the situation. Describe the details later.
- Include staff and establish a work group for the mapping. From this group, appoint a person to be in charge of the work.
- The mapping should be repeated regularly, e.g. every three years. Use previous mapping as basis for the next mapping
- The mapping should obviously be updated in case of new or significantly changed work processes and environmental impacts.

At the back of the handbook, you can find examples of forms for registering work processes.

### Mapping of waste

By far the most work processes in a business generate waste. You can often save money by sorting waste properly. Indeed, it makes sense from an environmental standpoint to use the waste to the extent that it can be reused or recycled.

**Tips**

- Waste volumes are often stated on the receipts for disposal.

### Mapping of machinery and equipment

Machinery and equipment must be inspected regularly. By registering when the last inspection was made and fix dates for maintenance, you create a basis for an ongoing effort. This may help prolong the life of equipment – and that any replacement is systematised.

- Ordinary tools could be checked every two months.
- State the energy consumption of the individual machines based on these data sheets.

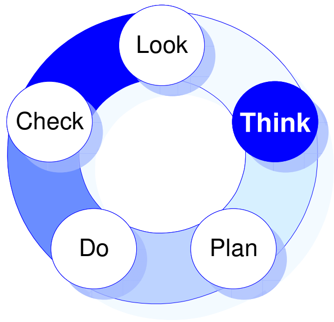
### Product composition

Here, you can assess the product life cycle from cradle to grave. The product you sell should be composed so that the sum of environmental impacts is as low as possible. This applies to both the choice of raw materials and adjuvants, the work processes you apply, the use of the product during its life time and the environmental impact of the product when it ends its life in a waste treatment facility. You should mainly be aware of the contents of chemical substances. You can consider on an ongoing basis whether you can replace the chemical substances or products you use today with products that are less adverse to the environment.

**Tips**

- Buy eco-labelled products when possible - they should preferable be labelled with the EU Flower.
- Make sure that your suppliers document the chemicals in their products.
- Always consider whether you can minimise packaging consumption for the products you make.
- Stop using many different chemical products for the same purpose.

## 2. Think - prioritisation




Identify the environmental issues your business will work with on the basis of the mapping. You have already made an assessment of the importance of the environmental problems in the mapping forms. However, if you need an overall overview - and a more detailed prioritisation – of the environmental problems found in the mapping, you can use the table below.

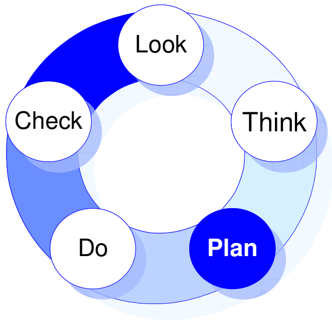
Example of a simplified prioritisation form:

- Environment
  - 3 points: Constitutes a major problem in terms of health and environment
  - 2 points: Constitutes a health and environmental problem
  - 1 point: Constitutes no problem in terms of health and environment at present
- Finance
  - 3 points: No or few expenses
  - 2 points: Acceptable expenses, minor liquidity impact
  - 1 point: Major expense, significant liquidity impact
- Technological/organisational
  - 3 points: Easy to approach
  - 2 points: Some technical/organisational changes
  - 1 point: Major technical/organisational changes

**Tips**

- Collect the most important environmental issues from the mapping
- Include scope, danger and duration of the environmental problem
- If your business wants to become certified in the long run, you must – e.g. by means of a prioritisation form – be able to account for why you have chosen to work with the specific areas.

## 3. Plan




Action plans are made to ensure that tasks are actually performed and that you do not embark on more tasks than you can handle.

The action plans are made to achieve the environmental targets. The environmental policy, environmental objectives, environmental targets and action plans must cohere.

You may already have reviewed the mapping forms and made an assessment of the importance of the environmental problems. You will have marked the key important environmental problems with NOW and the second most important with 1. You may also have prioritised the environmental problems further by means of the form for prioritising environmental problems.

Now, you need to prepare an action plan for each focus area, i.e. for each environmental problem with the priority NOW or 1 (the problems you have given the priority 2 are saved for a later system update).

For some businesses, mapping, environmental policy and action plans constitute an initial environmental management system.

**Tips**

- Action plans may be short or long term with horizons from a few months or several years.
- Prepare the action plans so that the activities are spread appropriately over the year – and considering e.g. seasonal variations in order influx or manpower.
- Some of the action plans will involve ongoing control, e.g. registration of energy or water consumption or the consumption of chemical substances.

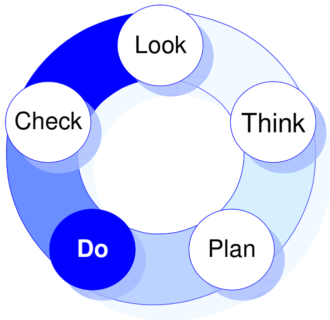
Establish work groups to work on the most important issues. Output:

- More detailed mapping
- Proposals for reducing the environmental impact
- Specific and measurable targets for the environmental impact
- Motivated staff

Also consider:

- How are results achieved?
- Who is responsible?
- Who should be included?
- When should it be done?
- What does it cost?
  - Time (man-hours)
  - Costs/earnings

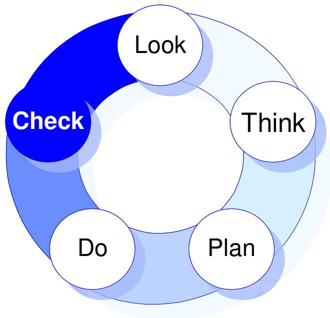
## 4. Do




Realise the action plans. In this connection, you must describe:

- Sub-assignments
- Responsibilities
- Deadlines
- Control methods
- Embedment

## 5. Check




Once the activity has been performed for a while, it is a good idea to evaluate whether you have achieved the targets you set and whether you need to change the activity. The processes of this activity involve:

- Evaluation
- Regularly follow up the action plan made during the planning stage
    - Have you reached your target?
    - Should attention be directed to any of the other prioritised areas?

When you have worked with the first five steps of the process, you can choose to prepare an environmental statement.

## 7.8. Working on your own 3: Environmental management under ISO 14001:2005 and EMAS

Environmental management is a systematic effort to ensure continuous environmental improvements in your business.

Environmental management provides the organisational framework for the environmental work in your business – e.g. structure, planning activities, allocation of responsibilities, customs, procedures, methods and resources for developing the environmental policy in your business.

There are several ways of introducing environmental management in your business. You can choose to develop your own environmental management system. This allows you to determine the system requirements yourself. If you want to be able to document your environmental activities, you can become registered under the European Union Eco-Management and Audit Scheme EMAS or certified according to the international ISO 14 001 standard. You should note that EMAS requires that your business prepares an environmental statement.

### What do you gain from introducing environmental management?

Most businesses benefit from environmental management[10]:

- Three out of four businesses engaged in environmental management experience a handsome profit over a four-year period.
- The direct financial gain over a four-year period is on average 2% of the past years' revenue.
- Most businesses experience financial savings by minimising energy and water consumption and waste disposal.
- Both Danish and international studies show that the repayment period of the overall investment in environmental management is typically 2-3 years and often less.

Possibility of increased earnings since environmental management has a positive effect on your business' reputation.

### Environmental statements

The environmental statement describes your most important environmental aspects and your efforts to reduce the environmental impacts. The environmental statement is voluntary.

[10] Danish Environmental Protection Agency, www.mst.dk

## TABLE: CONTENTS OF THE ENVIRONMENTAL STATEMENT

| **Examples of what an environmental statement can include:** | **Comments** |
|---|---|
| Master data about your business | |
| Key figures from the mapping consisting of data about prioritised, important environmental issues stated as absolute or relative numbers.<br>The key figures and their trends must be assessed and commented. | |
| Any changes in the scope of key figures in relation to previous environmental statements and the reason. | |
| Observance of targets and action plan from the last statement. | |
| Environmental policy, environmental targets and action plans, including a description of the prioritisation method chosen. | |
| Description of the environmental requirements you place on your sub-contractors. | |
| Description of how staff is generally included in the environmental activities. | |

*Source: Inspiration from Green Network*

**Tips**

Even though it is a staff activity and not an environmental activity, you could choose to include health and safety in the environmental statement.

## Form for mapping environmental aspects

**MAPPING OF ENVIRONMENTAL ASPECTS FOR THE PROCESS: ____________________**

| | Environmental aspects | Problem | Cause | Idea for solution | Assessment/prioritisation |
|---|---|---|---|---|---|
| External environment | Emissions to air | | | | |
| | Wastewater | | | | |
| | Waste | | | | |
| | Hazardous waste | | | | |
| | Noise | | | | |
| | Energy | | | | |

**Help to complete the table:**

### Use one mapping table for each process

The process includes the materials e.g. water, raw materials, machinery or tools. Focus on the essentials. Any further mapping of resource consumption can be made under "Mapping of resource consumption".

### The five columns

Environmental aspects: External environmental problems have been broken down according to five types of discharge and energy consumption.
Problem: Describe the problem by stating its impact (e.g. headache).
Cause: Describe the cause of the problem (e.g. can inhalation of exhaust gasses cause headache).
Idea for solution: Specify ideas for solving the problem (start using "environment-friendly" petrol).
Assessment and prioritisation: Only fill in this column once the environmental problems in all production processes have been mapped. Prioritise each environmental problem into the categories:
**NOW** – in case of aspects that need immediate attention, e.g. because they are easy and inexpensive to solve. The solution and time schedule are included in "Preparation of overview of action plans".
**1** – in case of aspects that need to be dealt with but where the solution may be more difficult or time consuming. Make an actual action plan as illustrated in "Preparation of action plans" and include the solution and time schedule in "Preparation of overview of action plans".
**2** – in case of aspects that need no attention, e.g. because the aspect is assessed as insignificant. However, the environmental problem should still appear from the mapping and thus form part of the next system review (1-3 years after start up). You can choose to assess the problems in more detail under "Prioritisation of environmental problems".

### External environment – six rows

Emissions to the air: Specify the type of substances discharged to the air.
Wastewater: Specify the type of substances discharged to the air.
Waste: Specify the types of waste the work process generates.
Hazardous waste: Specify the types of hazardous waste the work process generates.
Noise: Specify any significant noise nuisances in relation to the business surroundings.
Energy: Specify the types of energy used in the work process.

Environmental aspects prior to the internal production processes: Describe the environmental aspects prior to the specific production processes – typically in relation to raw materials, adjuvants, etc. included in the production.

Environmental aspects related to the use and disposal of the product or service: Describe the environmental issues after the internal production process – typically at the customer/purchaser use, maintenance or disposal of the product.

## Registration of resource consumption

### RESOURCE CONSUMPTION

| Resource: | | | | | | | |
|---|---|---|---|---|---|---|---|
| Date | App. no. | Quantity | Total quantity | Amount | Total amount | DKK/unit | Supplier |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Resource: The resource stated is transferred automatically from the overview of resource types.
Date: Specify date for the mapping.
App. no.: Specify appendix number or other source of the mapping.
Quantity: Specify quantity consumed.
Total quantity: The quantity stated is added to the previous balance.
Amount: Transfer amount from the appendix.
Total amount: Update the balance with the amount.
DKK/unit: Specify the price per unit, kg, litre or other unit of quantity.
Supplier: Specify the name of the supplier/subcontractor.

## Table for prioritisation

### Project name – CSR

### PRIORITISATION OF ENVIRONMENTAL ASPECTS

| Environ-mental aspect | Assessment | | | | Priority |
|---|---|---|---|---|---|
| | Environment | Finance | Technology | Other | |
| Air | | | | | |

Prepared by: ______________________ Approved by: ______________________ Date: ______________

Environmental aspect: Include all the environmental aspects found during the mapping.
Environment: Describe the environmental gains of dealing with the problem.
Finance: Describe the financial aspects of dealing with the problem – or not dealing with it.
Technology: Describe the technical possibilities of dealing with the problem.
Other: Write any other criteria affecting the assessment.
Priority: Summarise your assessment and identify the tasks that should be dealt with this year.

## PREPARATION OF ACTION PLAN

| **Action plan for: Waste** | | | | |
|---|---|---|---|---|
| Cause of problem | | | | |
| Description of task | | | | |
| Objective | | | | |
| Achievement of objective | | | | |
| Task solution | Pers. responsible | | Start | End |
| Overall time schedule | | | | |
| Main responsibility for the activity | | | | |
| Expected time consumption | | | | |
| Task-related costs | | | | |
| Price | | | | |
| Any savings, e.g. compliance with future requirements | | | | |
| Calculated repayment time | | | | |
| Inclusion of other parties | | | | |
| Information on task solution | | | | |

Prepared by: ______________________ Approved by: ______________________ Date: ____________

### Help to complete the table:

Action plan for ….: The focus area stated is transferred automatically from the overview of focus areas.
Cause of problem: Describe the cause of the problem or the reason why the focus area should be strengthened.
Description of task: Describe how this particular environmental load is reduced.
Objective: Describe how the situation should be when the task is solved (e.g. "20% reduction in the consumption of a given raw material" or "that all staff should know how to solve a certain task").
Achievement of objective: Describe how to register that the objective has been achieved – e.g. by means of measurements or interviews.
Expected time consumption: Specify estimated time consumption for all staff involved.
Task-related costs: Specify the estimated costs of solving the task.
Task solution: Describe how to solve the task. The task can be broken down into several components. Delegate responsibilities and set a deadline for each of the sub-tasks.
Transfer the overall time schedule to "Overview of action plans".
Main responsibility for the task: Specify the person in charge of solving the task.
Inclusion of other parties: Specify any other parties (staff or partners such as sub-contractors) who could be part of the task.

Information about task solution: Specify the persons who should be informed about the task – by whom and how.

## 7.9. Working on your own 5: Environmental economy in small and medium-sized enterprises

[This tool is in Danish and can be replaced by a similar national tool]

The Danish e-learning module of People & Profit comprises the "Environmental economy in small and medium-sized enterprises" tool. This tool has been developed specifically for Danish small and medium-sized enterprises. This environmental economy tool enables your business to quantify costs and savings related to the general environmental activities and the three environmental areas: resource consumption, waste and discharges.

The environmental economy tool breaks down into the modules: Production, Stock and Retail as well as Administration and Office. You can choose to apply the module that best describes your business, e.g. production, if your business is a production company, alternatively, you can apply the relevant modules that correspond to the various departments/activities of your business.

Each module offers further opportunities for using the tool. In the production module, you can choose to find out what the environmental activities cost; you can add costs to the environmental accounts or follow the waste to see what it costs.
The stock and retail module and the administration module allow you to either discover what the environmental activities cost or to add costs to the environmental accounts.

These different opportunities centre on three different methods. The following describes the different methods.

### Follow the waste

This method helps you discover the price of waste and the savings potential in the production process. The method is based on the principle that waste from production is becoming more expensive for businesses the closer the product is to being completed. The method helps you calculate the direct and indirect costs of waste during the production process and gives you knowledge about where you would benefit from introducing waste minimisation.

The direct costs for waste throughout the production process comprise:
- Disposal costs
- Earnings from sale of waste
- Penalties for wrong sorting
- Material costs

The indirect costs for production of waste comprise:
- Energy
- Water
- Salary
- Machine time
- Costs of related emissions (e.g. flue gas cleaning, wastewater treatment/discharge tax).

### Add costs to the environmental accounts

This function enables you to map the environmental costs related to business activities or products. Subsequently, you can assess the savings potential, e.g. in relation to bottom line. It may also be a good idea to divide the mapping into departments to find the most resource-intensive departments.

Environmental costs may comprise:

- Materials
- Energy
- Water
- Waste
- Emissions (cleaning, taxes).

Savings can be achieved through investments in cleaner technology, behavioural change, substitution or design changes. This tool can be used to assess the savings potential, as the possible change can be compared with the business' bottom line and the product cost.

### What does the environmental activity cost

The statutory environmental activities may include environmental authorisation, own control, green accounts and possible preparation of energy plans. The voluntary environmental activities may encompass areas such as environmental management, energy management and environmental marketing. Application of this method enables you to map your costs of both voluntary and statutory environmental activities. Most businesses will find it difficult to achieve savings on these costs, especially the costs of the statutory environmental activities. However, it is still a good idea to know the costs, e.g. in relation to the dialogue with the environmental authorities. If you already know the costs related to the voluntary environmental activities, you can access whether the efforts in the area are commensurate with earnings potential.

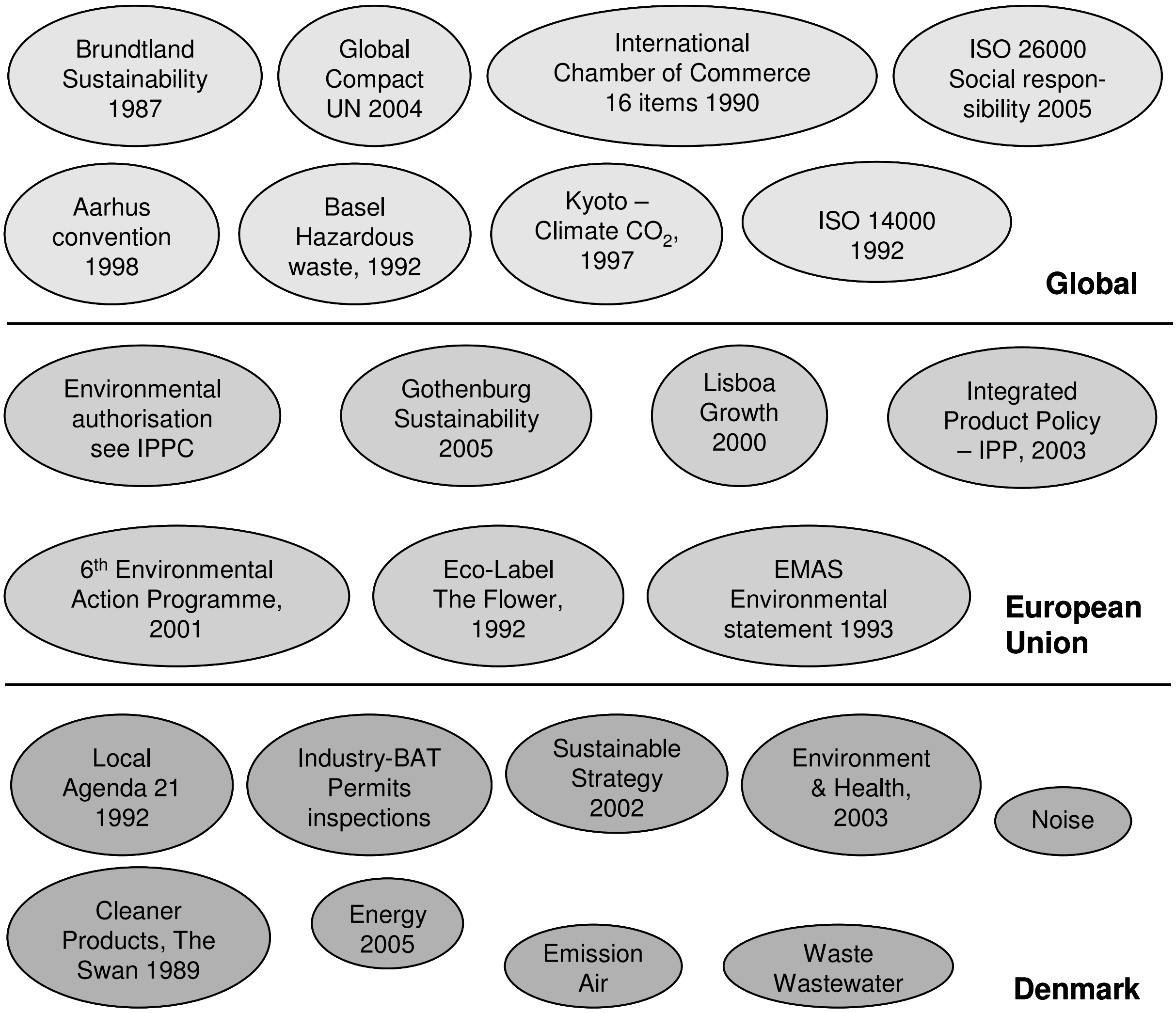
In an addendum to this handbook, you can find a guide with a brief description of environmental economy, the most important environmental economy costs and how to use the tool. The addendum also briefly describes the topics "Why engage in environmental economy" and "Organisation of work".

The tool was prepared by PricewaterhouseCoopers in 2006.

## 7.10. World map of environmental initiatives

The figure below shows a world map of environmental initiatives. The initiatives are divided into global, EU and national initiatives.

**Figure 7.3: World map of environmental initiatives**



## Global

### The Brundtland Report and the Rio Declaration

Sustainable development was put on the international agenda when the Brundtland Commission in 1987 published the report "Our Common Future" – also called the Brundtland Report.

The Brundtland Report defines sustainable development as follows:

*"Humanity has the ability to make development sustainable – to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs"*

Sustainability means that the environmental, economic and social elements should be balanced in relation to each decision made at all levels of society. Denmark has prepared a number of key indicators which are to show whether Denmark is heading in the right direction.

The Brundtland Report was followed up by the Rio Declaration adopted at the UN Conference on Environment and Development in Rio de Janeiro in June 1992. The report presents 27 principles which on the one hand define human's right of development and on the other hand define the common responsibility for protecting the environment, and it became the backdrop of the environmental rights in the UN's 2004 Global Compact.

### The International Chamber of Commerce (ICC)

ICC's environmental charter is the corporate sector's first declaration on sustainable development. Though drafted in 1990, the declaration remains applicable. The declaration contains 16 principles which can form the framework of a business' environmental policy.

### ISO 14 000 standards (International Standardisation Organisation)

ISO followed ICC in the early 1990s and started working on developing the environmental management standard ISO 14 001, last revised in 2004.

The ISO 14 000 series comprises a number of standards in addition to the environmental management system: ISO 14 001. The latest publication is about how you can implement environmental communication both internally and externally – ISO 14 063.

There is a standard for how you can evaluate and follow-up your environmental performance – ISO 14 031.
The ISO 14 040 series comprise standards for how you include environmental considerations when you design a product and how you can make a life-cycle assessment for your product, i.e. the environmental impact of the product from cradle to grave.

ISO 14 001 applies the same structure as the quality management standard ISO 9001. The two standards have been implemented in more than 760,000 organisations in 154 countries and are the most widespread standards worldwide.

### The Basel Convention

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal was adopted in 1989 and entered into force on 5 May 1992. The convention aims at making rules for disposing and handling more than 400 million tonnes of hazardous waste annually.
For example, since 1 January 1998, exporting hazardous waste from OECD member states to non-OECD member states has been banned. The export ban is the consequence of the ban adopted under the Basel Convention. Dumping of chemicals in the North Sea and scrapping of old ships on Indian beaches are examples of this problem.

### The Kyoto Protocol and the Climate Convention

These agreements are probably those that will impact our future energy consumption most. Climate conventions aim at stabilising the amount of greenhouse gasses in the atmosphere, and the Kyoto Protocol sets targets for $CO_2$ discharges. A substantial part of EU development funds are earmarked for developing technologies that can help meet the EU's targets.

In 1992, 155 countries signed a framework agreement aimed at stabilising the content of greenhouse gasses in the atmosphere. The agreement served as take-off point for the Kyoto Protocol drafted in 1997 at a UN conference in Kyoto, Japan. Denmark acceded to the protocol, which entered into force on 16 February 2005, together with the other EU member states. 144 countries have acceded to the protocol. The industrialised countries must reduce their emissions by an average of 5.2 per cent between 2008 and 2012 compared to 1990 emissions. The EU countries have agreed an internal distribution scale called "burden sharing".

The Climate Convention was signed during the UN Conference on Environment and Development in Rio de Janeiro in 1992 and entered into force in 1994. 189 countries have acceded to the convention, which in reality means all countries of the world.

### The Aarhus Convention

In June 1998, 34 countries signed a convention on citizens' environmental rights, generally called the Aarhus Convention. The convention entered into force in October 2001. The basis of the convention is that the authorities must disclose all environmental information. The convention has three focus areas: Access to information, to participate in decision making and to complain. The individual countries are currently translating the convention into national statutes.

### UN Global Compact

UN has listed ten principles on the basis of universally recognised values and objectives. The objective is that businesses must implement the principles in their policy and practice. The principles comprise:

- Human rights
- Employee rights
- Environment
- Anti-corruption

The three Global Compact principles in environment comprise:

1. Businesses should support a precautionary approach to environmental challenges;
2. Businesses should undertake initiatives to promote greater environmental responsibility;

3. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Read more about Global Compact in the chapter on supplier activities.

### ISO 26 000

A new guidance standard to help organisations and businesses behave socially responsibly is taking form following intensive international cooperation. The ISO 26 000 standard on social responsibility (SR) is expected to be ready in 2008.

Following a sceptical beginning, the standard now enjoys massive support as reflected in the international cooperation, which includes more than 400 stakeholders representing various interest groups such as industry, authorities, NGOs, etc.

## EU

### The Lisbon Strategy and the Gothenburg Declaration

On 2 February 2005, the European Commission presented a strategy to create new dynamics in the EU 2000 economic reform programme. The intention is for instance to be able to match the development in e.g. China and India through increased research and innovation and thus being able to create and retain jobs in the EU.

The Gothenburg Declaration must ensure that the measures adopted are sustainable, i.e. take on the challenge and separate economic growth from the environment so that we create growth without increasing the environmental load.

The first national reform programmes were prepared in autumn 2005. On 25 January 2005, the Commission published its first “Progress report” promising action proposals in four policy areas before the end of 2007. The four policy areas include:

- Research, development and universities
- Productive environment – especially for small and medium-sized enterprises
- Globalisation and demographic aging
- Energy

### 6$^{th}$ Environmental Action Programme

The EU’s environmental efforts are generally controlled by the 6$^{th}$ Environmental Action Programme, which runs until 2010. The 6$^{th}$ Environmental Action Programme was launched in 2001 under the title: “Environment 2010: Our future, our choice” and describes the EU’s environmental policy. The programme focuses on four areas: Climate changes; health and environment; nature and biodiversity and natural resource management. Each of the four topics has been described and goals have been set for them and the measures needed to meet the objectives. You can follow the progress on EU’s website (English) http://europa.eu.int/comm/environment/newprg/index.htm.

### EU and industry

EU initiatives in relation to the industry's discharges to the environment have been implemented via directives, which have been translated into national European legislation. The EU environmental authorisation system, **IPPC** (Integrated Pollution Prevention and Control), is based on an important principle, viz. BAT (Best Available Techniques) – the principle of applying the best available technique in order to minimise the environmental impact of the production.

The EU has established an agency where you can find a BREF (BAT reference document) for practically all production processes stating the emissions and discharges to air, water, etc. of the various technologies. European industries regulated by the IPPC directive must document that they apply BAT technologies.

### Integrated Product Policy (IPP)

On 18 June 2003, the European Commission published a strategy for the EU Integrated product Policy for the coming years headlined *Building on Environmental Life-Cycle Thinking*. The policy comprises a number or market-oriented measures such as **EMAS** (eco-labelling of businesses) and eco-labelling of products (**the EU Flower**) and involves a number of initiatives concerning environmental product declarations. For instance, the Commission has started making standards so that environmental declarations can be made for building products from 2009. The IPP is scheduled for revision in 2007.

### EMAS

EMAS stands for "Eco-Management and Audit Scheme" and is the EU's environmental management scheme, which is voluntary and targets all types of business. Industrial, service and public businesses can be EMAS registered.

## National environmental initiatives

**[Examples on environmental initiatives]**

## 7.11. Links

[National links regarding environmental initiatives can be added to the list of links.]

Talk to your **trade organisation** and **National Environmental Protection Agency** to learn more about environmental management in your industry.

**Green Network** is a regional network in Denmark between the local authorities of Fredericia, Horsens, Kolding, Middelfart and Vejle and the county of Vejle. Read more about environmental statements on www.greennetwork.dk.
**Key2Green is a network for regional Danish environmental networks.** See more about environmental statements on Key2Green's website www.key2green.dk.

## Links from the world map of environmental initiatives

**Global:**

**The International Chamber of Commerce (ICC)**

http://www.iccwbo.org/policy/environment/id1309/index.html

**ISO 14 000 standards (International Standardisation Organisation)**

http://www.iso.org/iso/iso_catalogue/management_standards/iso_9000_iso_14000/iso_14000_essentials.htm

**The Basel Convention**

http://www.basel.int/

**The Kyoto Protocol and the Climate Convention**

http://unfccc.int/2860.php

**The Aarhus Convention**

http://www.unece.org/env/pp/

**UN Global Compact**

http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html (English)

**ISO 26 000**

http://isotc.iso.org/livelink/livelink/fetch/2000/2122/830949/3934883/3935096/home.html?nodeid=4451259&vernum=0

**EU**:

**The Lisbon Strategy and the Gothenburg Declaration**

http://ec.europa.eu/growthandjobs/index_en.htm

http://ec.europa.eu/environment/eussd/

**The 6th Environmental action programme**

http://europa.eu.int/comm/environment/newprg/index.htm

**EU and industrial businesses**

http://eippcb.jrc.es/

**Integrated Product Policy (IPP)**

http://ec.europa.eu/environment/ipp/

**EMAS**

http://ec.europa.eu/environment/emas/index_en.htm

**Eco-labelling**

http://www.eco-label.com/

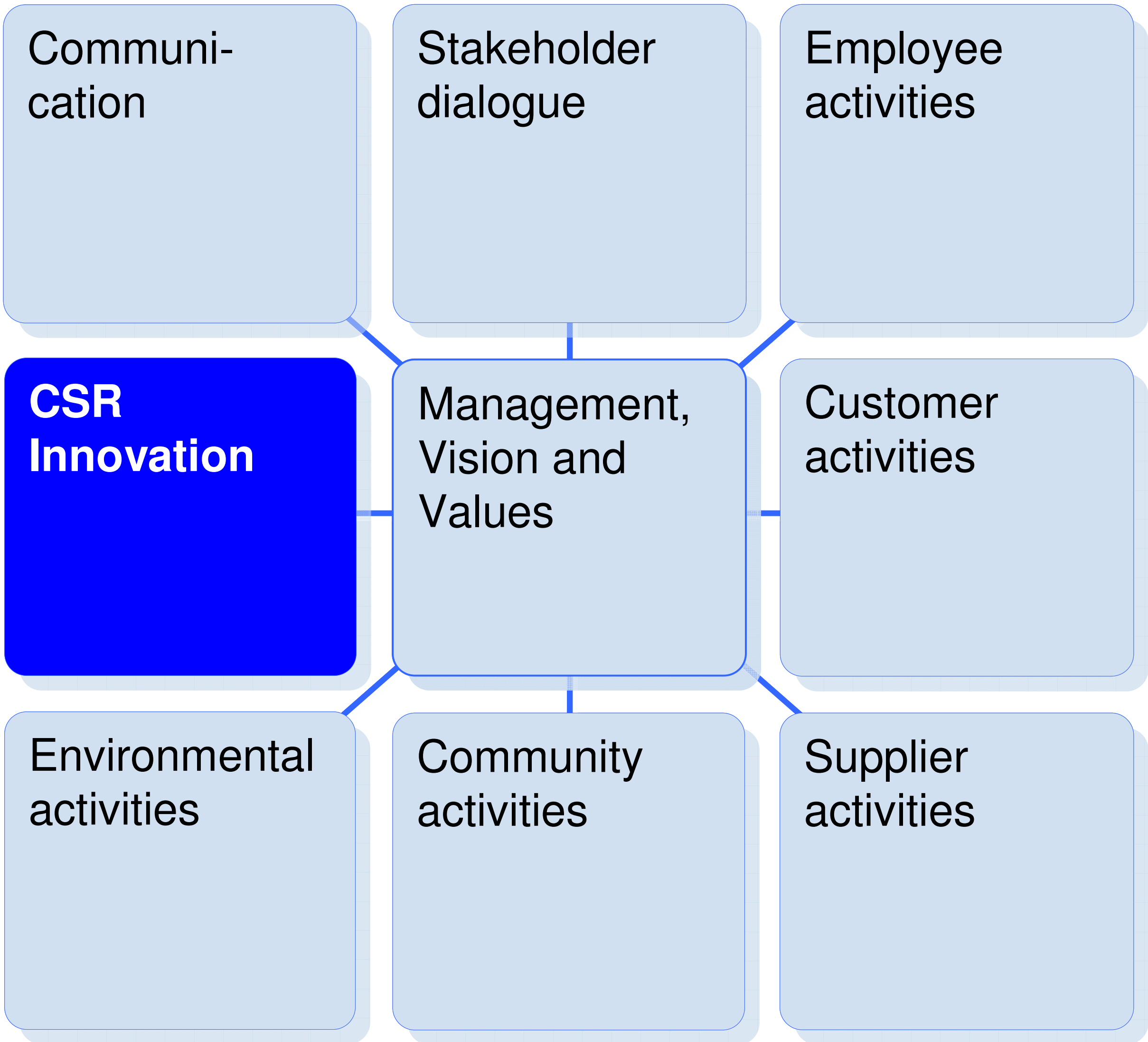
http://ec.europa.eu/environment/ecolabel/index_en.htm

**National Environmental Initiatives**:

**[National links regarding environmental initiatives can be added to the list of links.]**

8

# CSR innovation



# 8. CSR innovation

[National links regarding community activities can be added to the list of links.]

The world needs innovative solutions to problems such as hunger, disease, social exclusion, poverty and pollution. As a business you can contribute solutions and at the same time expand your business by linking CSR and innovation. This chapter starts with a definition of *innovation*, and goes on to elaborate further on the concept of strategic CSR innovation.

### What is innovation?

There are many ways to define *innovation*. Some wide definitions include all types of changes in a business and increasingly narrow definitions focus on product development.

In this chapter, innovation is defined as **a managed development process.** I.e. it is not a question of incidental events and changes in the business but of a conscious process of change.

Innovation may be defined as:

Innovation = Invention (something new) + commercialisation (utilisation)

Innovation is not only to create new products, but also new business concepts and new organisational and management styles. Innovation is not for large businesses only. According to a survey conducted by Rambøll Management in 2006, 75% of all Danish small and medium-sized enterprises employing a staff of up to 250 developed new products, services and processes in the period from 2002 to 2004[11].

## 8.1. What is strategic CSR innovation?

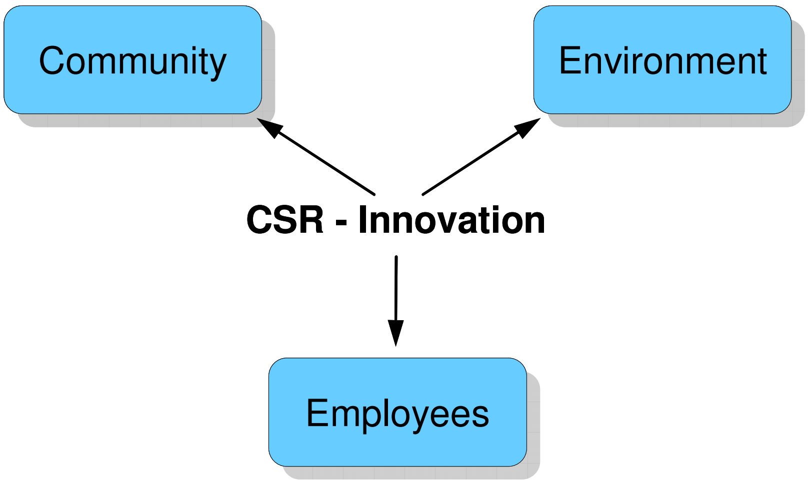
CSR innovation is an innovation process which focuses on social and environmental considerations by including relevant stakeholders in the process; the end-product is a financially profitable business concept to the benefit of employees, the environment or society.

Overall, CSR innovation is a new concept, whereas environmental and healthcare innovations are not new (see the figures in: What do the others do?). Within the field of environmental innovation, the Danish wind industry has for years been a leader in the development of renewable energy technology. Another example is B&O, which incorporates several environmental parameters and the knowledge of certain of its stakeholders into its innovation process. In the development of new products, B&O applies the knowledge of environment-friendly recycling of electronics waste from companies handling electronics waste. In the healthcare sector, user groups are involved to improve products even further.

[11] Survey conducted by Rambøll Management in 2005 for the Danish Confederation of Professional Associations, Danish Centre for Leadership and the Danish daily newspaper Dagbladet Børsen on innovation in small and medium-sized enterprises with staffs f up to 250. [The survey is Danish and deals with results from Danish companies only, and can be replaced with national results.]

By way of example Coloplast invites ostomy patients to partake in the product development process, and Novo Nordisk invites diabetes patients to contribute to its development process.

The CSR innovation objective field may be illustrated as follows:




In a strategic CSR innovation process, businesses use their core competences to develop new concepts, products, etc. meeting social requirements. Furthermore, CSR innovation implies that stakeholders – external as well as internal – are invited to join the innovation process as they possess knowledge which is considered unique in terms of enhancing and renewing business activities.

The driving force behind a managed innovation process falls into three categories[12]:

**Price-driven innovation** implies the renewal of products and processes designed to make your products cheaper or perceived as cheaper than those of your competitors when customers compare price and quality. Thus, the source of price-driven innovation is the constant search for lower costs. Price-driven innovation means that you compete primarily on processes, logistics, "sound business acumen", sales and marketing.

**Research-driven innovation** implies innovation based on research or new technology. I.e. you try to get a technological head start on the competition; by reducing the cost of production or developing products which differ from those of your competitors in form or function. Research-driven innovation is based on research, but focuses in particular on turning research into technology which will produce new commercial products.

**User-driven innovation** implies innovation based on insight into the needs and requirements of customers and end-users. It focuses on entering into a dialogue with your customers/end-users to appreciate their requirements (through e.g. customer analyses). This will afford you the opportunity to develop new products, services or business concepts which match the requirements of your customers/end-users better than those of your competitors. In the course of the development process you may also look into users' non-recognised needs by observing the day-to-day activities of your (potential) customers. User-driven innovation is about gaining a competitive edge by being the best at satisfying customer and end-user needs and requirements.

[12] J. Rosted: "Brugerdreven innovation – resultater og anbefalinger", FORA, no. 13, 2005.

## Stakeholder-driven innovation

Stakeholder-driven innovation is a process in which you cooperate with key stakeholders on the innovation process. To find out more about stakeholder identification and cooperation, see the Introduction.

Once you have an idea of which types of innovation, you want, ask yourself: Who among our stakeholders can offer us the inspiration or knowledge required to create the desired business idea. You may also start by asking your stakeholders in which areas they think you should develop your products and services. Another advantage of working with stakeholders is that you will gain access to the expert knowledge of customers, end-users or other stakeholders – knowledge which is otherwise difficult or expensive to obtain. That way, stakeholders may help you identify needs and innovation potential and assist in the actual innovation.

Different stakeholder groups may contribute different competences, such as:

- Your employees and their knowledge and ideas may be a valuable source of information, as they have unique insight into your products and services. The insight of sales staff into customer requirements may be used in an innovation-driven development process. Thanks to their knowledge of suppliers and products, purchasers and production staff may contribute to innovation in the product range. Finally, you may choose to strengthen your overall competences by hiring staff with other qualifications, such as different educational backgrounds, business experience or cultural backgrounds than your current staff. New knowledge and new ways of thinking may serve as an inspiration and motive force in the innovation process.

- You may choose to enter into partnerships with user groups, environmental organisations or other interest groups to benefit from their competences in a given area. Your stakeholders are given the opportunity to apply their knowledge in practice and thus obtain increasingly tailored products. You will be able to develop the best possible products or services from the point of view of your stakeholders – and this may result in boosted turnover in the form of customer loyalty, an increase in the number of potential customers or potentially higher prices.

As an example of stakeholder-driven CSR innovation, the following may serve as a source of inspiration for developing financially profitable CSR-oriented ideas, products, processes and services in cooperation with your stakeholders:

- The development of tomorrow's products for the physically disabled in cooperation with the disabled, healthcare professionals, manufacturers, etc.
- The development of tomorrow's sustainable energy in cooperation with scientists, neighbours of wind farms, etc.
- Development of third-world countries and development aid in cooperation with players from the third world, the UN and donor organisations such as the International Development Agencies, etc.
- The development of tomorrow's health promotion in cooperation with patients, nursing staff, doctors and manufacturers of healthcare products/medicine
- The development of tomorrow's waste management in cooperation with the authorities, waste handlers, product developers and environmental and energy NGOs/interest groups.

Certain types of stakeholder-driven CSR innovation will result in highly specialised products and services for a very limited market. If a given niche product/service may not be of interest to a large company, the opposite may well be the case for a small business.

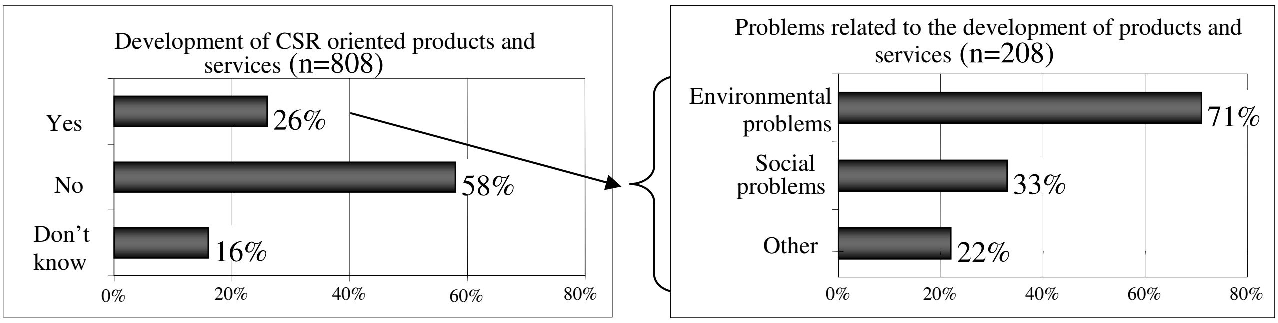
The social problems which small and medium-sized enterprises try to solve through their CSR oriented products and services differ to a considerable extent. The Gallup survey of 1,000 Danish companies with staffs of 10-250 showed that companies with staffs of 50-250 are more inclined to develop products and services designed to solve environmental problems, whereas small companies with staffs of 10-19 prefer to develop products designed to solve social problems.
[The survey is Danish and deals with results from Danish companies only, and can be replaced with national results.]

Many small and medium-sized enterprises are already involved in CSR innovation. In other words, this is not uncharted territory to the corporate sector or something in which only large companies engage.

## 8.2. The effect of CSR innovation

You may decide to get involved with CSR innovation for a number of reasons. You may wish to make a difference in society, to build a business designed to solve social challenges or to meet the demands of your customers, employees or other stakeholders for new solutions. CSR oriented product development or CSR innovation in general may also offer you the opportunity to get into contact with different types of customers and new markets, or you may get the chance to be a pioneer in your field. Finally, CSR oriented product development may offer your business a competitive edge and thus the opportunity to differentiate yourself from your competitors.

According to the Gallup survey, 26% of the small and medium-sized enterprises interviewed had developed products and services which contribute to alleviating or improving one or more social problems. Of the 26%, 71% had developed new products or services aimed at solving environmental problems while 33% had developed products or services designed to solve social problems, as illustrated below[13].
[The survey is Danish and deals with results from Danish companies only, and can be replaced with national results.]



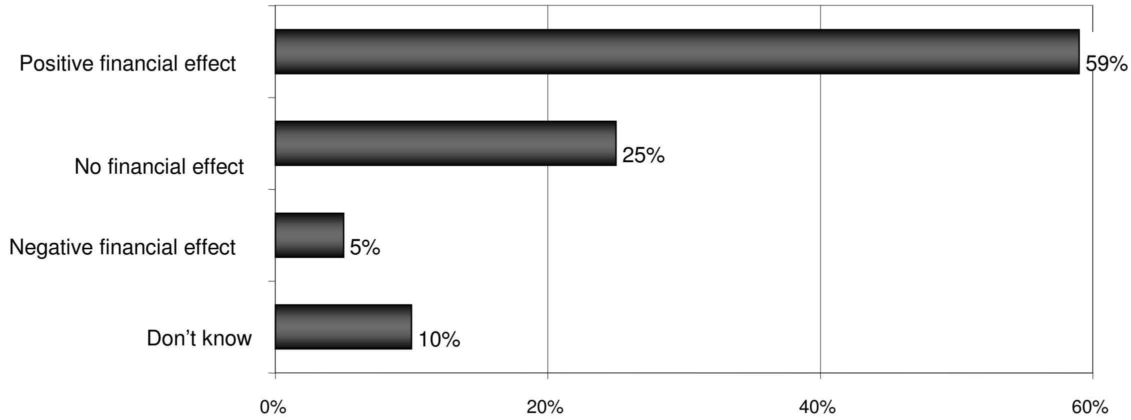

The question was: Which social problems did the products/services solve? The numbers add up to more than 100%, as more than one answer was possible.

[13] Survey conducted by TNS Gallup for People and Profit Phase 2: Mapping of CSR activities among small and medium-sized enterprises.

From the survey it appears that the majority of the businesses believe that CSR oriented products and services have positive financial effects and that only few of them find that it actually costs money to be involved with CSR product development.

**FINANCIAL EFFECT OF DEVELOPING PRODUCTS / SERVICES (N=208)**

[The survey is Danish and deals with results from Danish companies only, and can be replaced with national results.]




The question was: If you compare the proceeds from the development of the products/services with the cost, do you think that the products/services have overall positive or negative effects on the total financial result (your bottom line)?

In addition, the survey showed that businesses developing products and services designed to solve *environmental problems* are more inclined to believe that the products have positive effects on the bottom line.

## 8.3. What do the others do?

[The case is Danish and can be replaced by a national example on CSR-innovation]

**CASE: DCR MILJØ A/S**

The increasingly popularity of TV sets, computers, mobile phones and other types of electronic equipment is a threat to the environment when consumers throw the appliances away. It is, however, also an opportunity to start a new business. That was the business concept behind DCR Miljø a/s, a leader in electrical and electronic device recycling. Thus, the company is an example of CSR innovation focusing on the innovation of business models.

Environmental concerns may be the start of a new business concept – if you take an innovative approach. Like the three friends did when they visited an ironworks. They noted that the increasing use of electronics created a huge amount of hazardous waste, which the Danish refuse collection services did not at the time handle satisfactorily from an environmental point of view. In other words, the three friends identified a new market with a considerable growth potential, and against this background they established DCR Miljø a/s. Today, the company employs a staff of 24 and operates recycling sites in Roskilde and Stubbekøbing and is 14001 certified.

The problem with electronic devices discarded by private individuals as well as corporations is that they contain hazardous substances such as lead, mercury and PCB, which are hazardous to the environment and our health if not handled correctly. In DCR Miljø they collect this type of refuse, dismantle it and sort it into 50 different fractions ensuring the highest possible degree of reprocessing and waste. According to the company's 2003 environmental accounts, the recycling percentage for all waste from electrical and electronic equipment was no less than 88.

The advice given by Mr Brian Clemmensen to anyone who wants to develop business ideas in the field of waste is to collect as much information as possible before they get started. Furthermore, it is important to establish good rapport with the authorities and scientist in the field. This is a precondition for thinking innovatively, he believes.

## 8.4. Some good advice

Basically, it is a question of asking yourself: What can we do differently, and how can we optimise our business concept to the mutual advantage of our staff, the environment and society in general?

Strategic innovation can be described by using the terms "how much", "what" and "how":

**How much**: Innovation may be more or less ambitious in relation to your current approach. Strategic innovation is the way you decide on the scope and speed of the process, on how to make the innovation process match your business, taking into consideration financial aspects, the market and your organisation.

**What**: Innovation may take place in all areas and in relation to all tasks – from the overall business idea over processes and products to customer contact. It is a question of identifying the areas where you will benefit from innovation the most. You can find further inspiration for this process under "Working on your own".

**How**: The sources of inspiration are plentiful: Research, customers, users or other stakeholders and employees. Therefore, strategic innovation includes your decision on where and how to look for new ideas. For further inspiration, see "Working on your own" and the section on stakeholder dialogue.

Before you get started, you should consider how ambitious you want to be. Traditionally, there is a distinction between radical and incremental innovation.

## 8.5. Working on your own

In this chapter you are introduced to some of the methods used to identify the type of innovation suitable for your business. It also includes a few ideas on how to get the process started.

**Working on you own with CSR innovation comprises the following sections:**

1. Clarification: 12 types of innovation
2. Innovation process methods

## 8.6. Working on your own 1: Clarification through 12 types of innovation

If you want to get involved with CSR innovation, you may consider small as well as big changes. A model comprising 12 types of innovation[14] may be used as starting point for the CSR innovation process. The model tries to incorporate all types of innovation and to group them into four main categories (first column from the left). All four categories are then subdivided into three innovation types (second column from the left), which are then further explained in column three and exemplified in the fourth column as illustrated below:

| Area of Innovation | Type of Innovation | Explanation | CSR - example |
|---|---|---|---|
| Business | Business model | Basis of Income – profit generating activities | Identify new businesses based on CSR |
| | Alliances | Partners, suppliers, networks etc. | Red Cross commercial partners, Danida a.o. |
| | Organisation | Structure and incitements – who does what and is rewarded | Responsible outsourcing – rewarding employees |
| Process | Core processes | Central value-generating processes | Business ethics, facilities for vulnerable employees etc. |
| | Supportive process | Administration etc. required to operate the business | Accounting, HR, Procure-ment etc. |
| | Technology | Applied technologies – IT, production systems, logistics etc. | IT or technology to benefit employees or environment. |
| Product | Product features | Functionality and Quality – what makes your product stand out? | New responsible product features etc. |
| | Product system | How are your products used? Do they interact with other products? | Responsibility for use and interaction with other prod. |
| | Service | Support and additions to your core products/services | Responsibility as added service |
| Customer Contact | Sales channels | Where and how is your products delivered | Reduce pollution through delivery and packaging. |
| | Marketing/branding | Communication of products and services | Offensive marketing on CSR |
| | Customer experience | Experience of your products and services | Offer the customers an exp. of responsiveness |

The model may be used as a tool to consider CSR innovation – or innovation in general. The areas and innovation types are described in detail below.

### Business

In the area of ***business***, you can engage in CSR innovation in relation to your business model, alliances and organisation:

- **The business model** represents the overall idea of how and on what you earn a profit. In this case, innovation may imply the development of solutions to social challenges – large or small. DCR Miljø, for instance, has an innovative business model based on CSR. DCR Miljø dismantles elec-

[14] The breakdown is in part inspired by the Doblin Group's 10 types of innovation

tronics waste in an environmentally responsible manner and earns a profit on solving Denmark's hazardous waste problem.

- **Alliances** are special partnerships with your key partners, suppliers and networks. You may choose to enter into CSR alliances to realise new CSR-based business ideas. Your partners may be other companies or interest groups; the first type of alliance may be of a purely commercial nature, whereas the other may also involve some kind of sponsorship. Examples of alliances are partnerships with organisations directly involved in CSR activities, such as the International Development Agencies or the Red Cross which – like other relief organisations – offers businesses to become commercial partners. For an alliance to be described as innovative it must offer access to a number of benefits, such as customer groups, technology or knowledge. You may also pick your partners on the basis of CSR considerations, i.e. by making demands of the supply chain (see the relevant chapter).

- **Organisation** implies the structure and management of your business, i.e. the internal structure and external supply chain structure as well as the management of the supplier chain. CSR innovation at the organisational level may involve the development of new work procedures to address ethical, environmental or social problems within you business or in the production chain. You may also choose to look at your management style.

### Process

In the area of ***process***, innovation may involve core processes, supportive processes and technology:

- **Core processes** are the principle productive processes allowing you to generate value to your customers. CSR innovation in terms of core processes implies that the processes pay increasing attention to stakeholders, including employees, or social challenges, such as environmental protection. CSR innovation may also imply efforts supporting compliance with your business ethics in terms of your core and supportive processes.

- **Supportive processes** involve whatever you do to ensure the smooth operation of your business, such as administration, management, purchase, etc. In this connection CSR innovation implies the incorporation of your social commitment into your supportive processes in the same way as in your core processes. Your purchase department may make CSR consideration when choosing suppliers, or your choice of transportation may be based on environmental impact.

- **Technology** may enhance or increase the quality of your processes. Thus, CSR innovation implies introducing technology into core or supportive processes which minimise staff attrition or stress or reduce the environmental impact of products or processes.

### Product

In the area of ***product***, innovation may involve product properties, the product system or service:

- **Product features** include the functionality and quality, including price, of the product or service. In this connection CSR innovation implies adding new features to the product, such as developing products with due regard to your social responsibility, by for instance adding features which increase product versatility to one or more stakeholders. CSR considerations may be included in the entire life cycle of a given product: Can you improve your product by rethinking the development process, transportation, distribution, application or the disposal/recycling of the product?

- **The product system** is the context in which the product exists in relation to your other products, the products of other companies, including those of distributors and suppliers, in relation to the use by end-users. In this connection CSR innovation implies making better products for employees, customers and stakeholders. A business in the market for professional cleaning agents must offer its customers/users instruction in the use of its products. This may prevent the overdosing of chemicals, which is hazardous to the environment, and prevent work-related injuries to the benefit of your customers' employees. You may also consider how your products and services are used by customers, end-users or other companies in other ways – by for instance defining goals for reducing errors or misuse. Or by instructing users in the energy-saving use of our products.

- **Service** implies adding something extra to the core product, such as knowledge or support. In this connection, CSR innovation implies developing new types of service. Such as charging your customers for showing responsibility – knowledge of how to put your product to the best use within the product system (as described above). CSR service-innovation may also imply customised service.

### Customer contact

In the area of ***customer contact***, CSR innovation may involve sales channels, marketing/branding and customer experience:

- Sales channels are the channels through which your offer your products or services. In this connection CSR innovation may involve offering products to new customer segments on different terms – such as selling your products in third-world countries at reduced prices. Or introducing packaging or transportation with a reduced environmental impact.

- Marketing is how you communicate your business, products, service or offers to customers and stakeholders. In this connection CSR innovation primarily implies incorporating social commitment and responsibility into the promotion of your product. Secondly how to promote your business using your social commitment and CSR activities. See also the chapter on CSR communication.

- Customer experience is how the customer, the end-user or other stakeholders experience your products, services or business – the story associated with your product. In this connection CSR innovation may involve associating new or different experiences to the customers' or stakeholders' current experience of your product – before, during and after its use. Like marketing, CSR innovation in terms of customer experiences is two-sided. Innovation may imply making your experience increasingly responsible. But you may also invite your stakeholders to experience your responsibility and CSR activities.

Not all 12 types of CSR innovation will be equally relevant to your business. Therefore, the strategic task is to identify the areas and types of innovation which will generate the highest value compared with the effort.

### An example

One way of getting started is to brainstorm on which of the 12 types of CSR innovation are relevant. This example illustrates how a travel agency can apply all 12 types of CSR innovation. The example is purely illustrative – but some of the initiatives have already been implemented by certain travel agencies.

## Example about how a responsible travel agent could work with CSR Innovation

| | | |
|---|---|---|
| Business | Business model | Travel to help the third-world countries. Build a school, a hospital, etc. |
| | Alliances | Demands of hotels – working conditions, environmental policy, local community activities. |
| | Organisation | Job rotation and the hiring of local staff provide insight and development at home and at destination |
| Process | Core processes | Responsible interaction with people and the environment. Honest about contents and quality |
| | Supportive process | Only procurement from responsible suppliers |
| | Technology | Website to assist customers in choosing responsible destinations and activities |
| Product | Product features | Green and sustainable hotels in the rain forest. Low-energy travel or charge for $CO_2$ emission |
| | Product system | Responsible travelling – destination, transportation, board, activities, food |
| | Service | Information on how to support and contribute to the development of the travel destination |
| Customer Contact | Sales channels | Cooperating with relief organisations when selling trips |
| | Marketing/branding | Actively promoted as a responsible travel agency |
| | Customer experience | Customers meet relief organisations and their local staff or experience challenges up front |

The above model itself may be a source of inspiration on how to develop your business through CSR.

## Inspiration for clarification

You may start by using the below form to identify the CSR innovation in which you will get involved. Brainstorm and take notes! You can enter your notes in the empty column. Your notes may be on environmental, staff and social conditions. Of course, you need only fill in the fields relevant to you. Consider which activities match your corporate strategy, and then pick three.

### How can our company work with CSR Innovation

| | | |
|---|---|---|
| Business | Business model | |
| | Alliances | |
| | Organisation | |
| Process | Core processes | |
| | Supportive process | |
| | Technology | |
| Product | Product features | |
| | Product system | |
| | Service | |
| Customer Contact | Sales channels | |
| | Marketing/branding | |
| | Customer experience | |

## 8.7. Working on your own 2: Innovation process methods

Are there any areas in which your business may contribute to meeting tomorrow's social challenges and requirements?
Can you identify any new ways of including your stakeholders in the development of new businesses or products in the context of CSR?

There is no specific recipe for CSR innovation as the subject is still fairly new. This may not be to your disadvantage, if you want to get involved with CSR innovation. You may get a head start on your competitors and develop new business ideas – and become a role model to other companies. This chapter, however, introduces certain perspectives on the concept of innovation vis-à-vis CSR. If you want to get involved in CSR innovation, this chapter may serve as a source of inspiration and guide. One way of getting started with CSR innovation is to complete the below six steps:

1. Identify your social vision (such as tomorrow's healthcare system), i.e. you idea of where, how and in relation to whom your business will make a difference on the basis of your particular competences. Use the vision as a source of inspiration for thinking new thoughts – as a framework or theme for innovation.

2. Form an innovation group and include a wide a spectre of relevant stakeholders and interdisciplinary competences. The interaction between many different competences may promote the development of new ground-breaking ideas, as the various groups and professional skills each represent a different approach to the subject.

3. Innovation is about inspiration and ideas. Approach the process with an open mind, brainstorm and do not criticise the ideas of others. You may use one of the two methods illustrated in the boxes below. It may be a good idea to brainstorm in a place other than your office. This may inspire new ideas. You may also engage in creative exercises such as drawing or moving around to encourage the free flow of thoughts. Later, you can fine tune your ideas, analyse them and pick the best.

4. Develop your social vision in detail using the suggestions in the chapter as a source of inspiration and guide. Use the 12 types of innovation. Decide the scope of the innovation – incremental or radical - and decide on a budget.

5. Pick the best ideas, and describe them as projects or action plans. Compare the projects to your business strategy: Does the CSR innovation generate value to your business? Does CSR innovation make sense in the context of our business strategy and core processes? Consider the effect and cost in relation to your social vision and business strategy. Must the CSR innovation process pay off? Will it pay off?

6. Implement projects and action plans.

7. Evaluate and discuss whether your CSR innovation initiatives had the desired social effect.

## INITIAL PHASE/BRAINSTORM

**What is the purpose of the initial phase:**

- The initial phase may be used to brainstorm on CSR innovation. All ideas are welcome. Later, you can analyse them, and subsequently pick the ideas which seem the most realistic.

**The form:**

- You may conduct the initial phase as a session where everyone is allowed to contribute one after the other. If you have nothing to contribute, that is OK. You may also adopt a more informal/unstructured approach where everyone who wants to contribute can do so. All ideas and suggestions are written on large sheets of paper.

**Rules:**

The anchorman must inform the participants that they are not allowed to:

- Comment on, ridicule or in any other way criticise the input of others
- Voice problems, frustrations, criticism, complaints – only ideas and suggestions are welcome
- Make long speeches – only short statements

*Nevertheless…….*

- No idea or suggestion is too wild.
- No idea is too insignificant to be relevant

## THE TREE ROOMS

"The three rooms" is a method for considering which of the ideas conceived during the brainstorm you want to pursue. The purpose of the method is to qualify discussions and decisions. The method leaves enough room for a given idea to be thoroughly discussed before you decide to pursue it further.

**What can you use "the three rooms" for:**

The exercise may be used to vary a discussion which may otherwise be won by the party offering the best and fastest arguments. The exercise allows you to view a given idea from different perspectives making it easier for the participants to reach a decision on an informed basis. The method allows for the use of all available resources. Some people are good at accentuating the positive, others are better at criticising and focusing on possible obstacles. Others again are good at finding solutions.

**How does it work?**

Imagine three rooms on the basis of which you have to consider and discuss an idea. The positive room, the negative room and the realistic room.

**The positive room**

In this room, all ideas are good ideas, and therefore it is just a question of finding out why. Consider the advantages and the advantages of the advantage, such as: The car has a big engine (=quality). Therefore, it goes faster (=advantage). Therefore, you will be able to spend more time with your family in the morning (=advantage of advantage).

**The negative room**

In this room, all ideas are bad ideas. "This will never work, and I am going to tell you why…". Be negative, but not unrealistically negative. Be sure to mention all obstacles.

**The realistic room**

Time for a reality check:

- How will you be able to make money on the idea?
- What will it take to put the idea into practice? (Resources, time, etc.)
- Will you be able to "sell" the idea? How?
- Will any of your stakeholders be able to assist in putting the idea into practice?

You may rate the idea on a scale from 1 – 13 (6 and any grade above that means that the idea should be implemented).

**The form**

To perform this exercise correctly, you need two anchormen. The anchormen place three newssheets on different walls and write headlines next to each of the three rooms. Subsequently, one of the anchormen questions the participants, and the other anchorman writes down their statements on the newssheet.

The anchormen will stay approx. 5-10 minutes in each room.
It is a good idea to start in the positive room, then proceed to the negative room and then to the realistic room.

# 9

# CSR Communication

# 9. CSR Communication

## 9.1. What are strategic CSR communication activities?

When you want to communicate your CSR activities, it is not necessarily a question of preparing an elaborate communications plan including advertisements and press releases. It is rather a question of incorporating the CSR profile into your existing communication activities, such as job advertisements, your website, product catalogues, etc. Or taking the opportunity to mention it in a more informal context: At customer meetings, exhibitions, meetings with business partners and in other situations where you are given the opportunity to talk about your business. Your communication may vary from half a page on your website to a more detailed report of your CSR activities in "non-financial accounts". It is a question of setting the right level of ambition.

**EXAMPLES OF POSSIBLE COMMUNICATIONS CHANNELS**

| Written | Personal and informal |
|---|---|
| Website | Customer meetings |
| Product catalogue | Exhibitions |
| Job advertisements | Sales meetings |
| Advertisements | Speeches |
| Business cards | Seminars |
| Signs | Associations |
| Annual reports | Corporate networks |
| Accounts | School visits |
| Letterhead stationary | Job interviews |
| Invoices | |
| Media coverage/articles | |

### Rings in the water

When you communicate your CSR activities, the most efficient way of doing it is to get others to talk about what you are doing. It heightens credibility. That is not to say that *you* should not mention it on your website, in advertisements or elsewhere. It is just that the effect seems to be better if you consider this a long-term approach where the message spreads like rings in the water, from one person to the next. The process may be initiated by making sure that all members of staff know about the CSR activities and talk about them with their friends and families. Moreover, you should take every opportunity to talk about your CSR activities.

### Why communication?

There is a huge potential in communicating your CSR activities to your customers, business partners, potential employees and the world in general. There are several reasons for communicating about CSR:

1. It may improve your corporate image and increase awareness of your business. It may increase your opportunities to attract the right employees and to market yourself towards customers, business partners, investors and other stakeholders.

2. It offers you the opportunity to attach certain values to your products, i.e. creating additional value for your customers and differentiating your products from those of your competitors.

3. It may meet actual customer demands. Many large-scales companies have their own social profile and therefore make demands of their sub-suppliers. Many private consumers attach considerable importance to products being produced in environmentally responsible conditions.

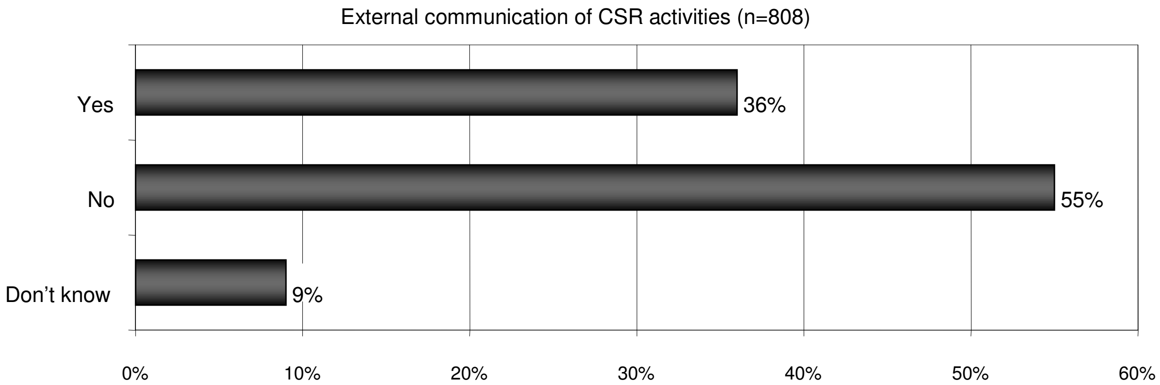
4. This may promote long-term legitimacy. If you operate in a sector subject to considerable criticism as regards environmental and working conditions, it may be a good idea to “deposit some goodwill in the bank”.

5. Your employees will be proud to work for a business subject to positive comments by the media, the sector and perhaps by their own friends, family and relatives.

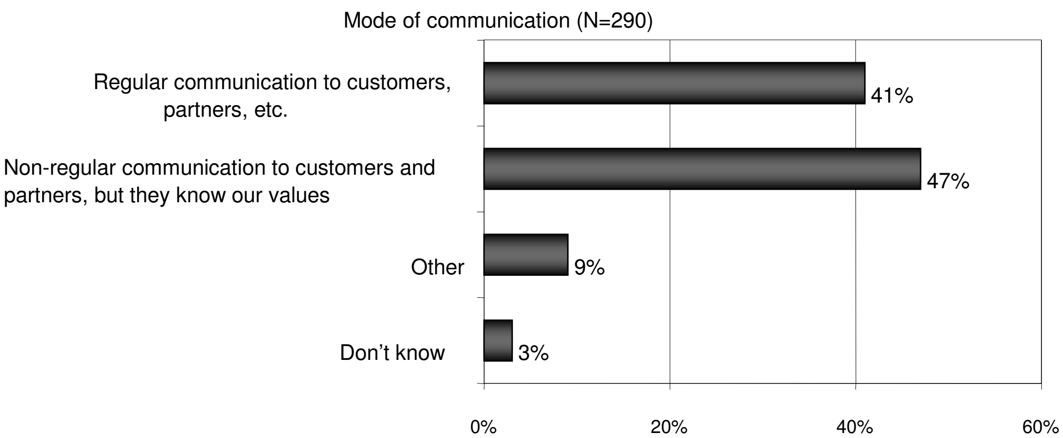
## 9.2. The effect of communication

[The survey is based on answers from Danish small and medium sized companies. It can be replaced or supplemented with other surveys.]

A Gallup survey of 1,000 small and medium-sized Danish enterprises shows that only one third of the companies involved with CSR activities in fact communicate this.




Of this one third, only 41% communicate on a regular basis. The rest is convinced that their customers and business partners know what their values are.



Thus, only a minority of the companies communicate on a regular basis about their CSR activities. Therefore, there is a huge potential in using CSR as a lever to raise one's profile and differentiate oneself positively from the competition.

## 9.3. What do the others do?

[The case is Danish and can be replaced by a national example on CSR communication]

**Case**

Middelfart Sparekasse has 10 branches in the Vejle-Fredericia-Kolding region in south-eastern Jutland and wants to signal that is has resources to invest in customers as well as the local community. Sparekassen goes about this by getting involved as sponsors, investors and partners in local projects. Investments in a kindergarten, in after-school care services, student dormitories in Copenhagen and Aarhus and a new commercial centre located in Middelfart's old psychiatric hospital are only a few of the initiatives which result in positive media coverage.

The bank has become so good at communicating its commitment that the service is now offered to Sparekassen's corporate customers. It has established a communications and event agency, The Show, headed by the former marketing director. And the fact that the workplace takes pride in commitment has even been communicated to stakeholders outside the local community. In 2005, it was named the best workplace in Denmark – with a considerable positive effect on Sparekassen's corporate image and market position.

## 9.4. Some good advice

### Strategic communication

#### Your communication must "match" your product

You need not communicate all the CSR activities you are involved in. Consider what matches your product the best and the values for which you would like to be known.

An example: For a company manufacturing office equipment it makes a lot of sense to get involved with the physical working conditions of its employees and to communicate this to its customers, etc. The customers will experience a strong link between the product and the CSR activity, and the company will be an example of the values its wants its products to represent: Providing good health and safety conditions.

The company may well be involved in other CSR activities. There is no need to communicate this to its customers, as these activities not reflect directly on the product.

#### Consider different target groups

Different aspects are relevant to different target groups. To customers it may be relevant that the company makes an environmental effort, whereas potential employees may find it more relevant that focus is on health and safety and working conditions. Consider in which context you communicate – and to whom. The message in the product catalogue need not be the same as in the job advertisement.

#### What do your competitors do?

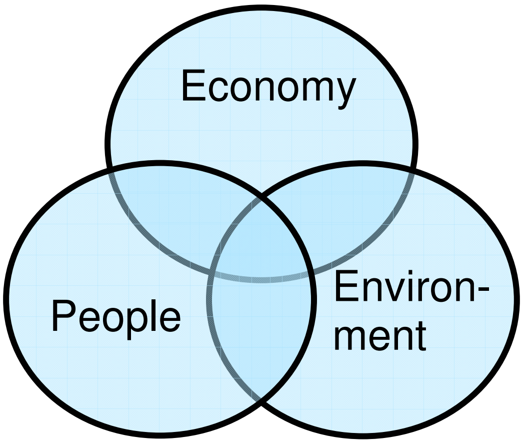
CSR activities may be excellent for differentiating yourself from your competitors. It is important, therefore, to keep track of how your competitors communicate their CSR activities. If the majority of the businesses in your sector make a point of communicating that they make an environmental effort, you may choose another profile.

**What do your customers expect?**

It is of course important what your customers expect. Try discussing with your customers what they expect of your social responsibility – and what it means to them. If your customers count large businesses and public institutions, it may be worth your while to include them actively in a dialogue on which CSR activities to focus.

**Use non-financial accounts where relevant**

Non-financial accounts offer you an opportunity to report on your triple bottom line – people, environment and economy:




Non-financial accounts need not focus on economy, people and environment, but on the areas of particular importance to your business. There are different types of non-financial accounts covering areas such as:

- Social and ethical accounts
- Knowledge accounts
- Holistic accounts
- Green accounts
- Others.

Non-financial accounts are a tool to raise the awareness of and systematise your CSR activities within a given area. The actual accounts or report are only part of the process of working with non-financial accounts. Therefore, you should consider whether you want to get involved with the entire process and publish an actual report, or whether you will make do with only part of the process.

Non-financial accounts can:

- Document how you work with CSR
- Create a dialogue between you and your stakeholders
- Focus on the demands made by stakeholders of your business
- Systematise your CSR activities within an environmental and working environment management system.

## Getting started

### Good communication starts from within

Your employees must be included from the start, and the CSR activities must form an integral part of your activities before you communicate anything. If our employees do not appreciate the message, it may backfire. Besides, employees constitute one of the most important channels for communicating your CSR activities to your business partners, customers, etc.

### Remember that communication is more than just mass communication

The most reliable and efficient type of communication is the direct communication between people. CSR activities should not be communicated as narrative descriptions only; you have to tell the good story whenever you get the chance. Incorporate CSR into the story of your business which you already tell at customer meetings, exhibitions, job interviews, tours of your premises or in a sector-related context.

### Use examples and stories

It is much easier to get the message across if you refer to examples and stories rather than policies, principles and strategies. Whenever you talk about your CSR activities, illustrate it with a “real-life story”. If you are involved with integration, you may talk about the one person who gave you a positive experience. Use the details and the actual situation to make your overall policies, principle and strategies more specific.

### Talk about results rather than projects

Actual results are always easier to remember, and they add credibility. Emphasise the effect of the CSR activities (reduced absence due to sickness, fewer complaints from your neighbours, improved corporate image, etc.).

### Be (absolutely) sure that you speak the truth

It may seem a commonplace remark, but when communicating CSR activities in particular you should make sure that what you say is also what you do. If you promise to make a social commitment, you have to honour that promise.

### Comply with the Marketing Practices Act

[Replace this paragraph with references to national law on marketing]
Whenever you communicate your CSR efforts, make sure to comply with the provisions of the Marketing Practices Act.
The Danish law on marketing states that:

- Statements must not be incorrect, misleading or unreasonably perfunctory
- You must be able to substantiate any statements
- Do not use own eco-labels
- Do not refer specifically to conditions or requirements which are already provided by law. It is considered misleading to state that at deodorant spray is "CFC free", as this applies to all similar products
- Communication on activities must include clear and precise information.

## 9.5. Working on your own

Use the following pages to define why, what, to whom and how you want to communicate your CSR activities. Also consider how to make your message both credible and interesting – by for instance

- Being honest about your CSR efforts
- Being open about bad news as well. It adds credibility.
- Singling out certain individuals, initiatives, awards or events
- Showing your enthusiasm
- Making your message simple and to the point.

Place your CSR activities in a wide social context emphasising their relevance – such as pointing to the social challenge of an increasing number of older employees retiring from the labour market before the official retirement age. The result is a loss of knowledge, a shortage of labour in the future and an increase in the total financial burden on the social welfare system. By making an active effort to prevent these older employees from retiring, you will keep valuable knowledge and competences in your business while at the same time contribute to the alleviation of a number of social problems.

Make sure to involve different parts of the organisation. This will ensure the highest possible coherence between individual CSR activities and your communication. It is often a good idea to involve individuals throughout the company. If everybody takes part, the process becomes increasingly smooth, and management will be able to show the way. Management should support the communications strategy and be able to communicate the message to the employees. All members of staff should know about the CSR activities and support them.

**Working on you own with CSR communication comprises the following sections:**

1. Clarification of CSR communication
2. Non-financial accounts

## 9.6. Working on your own 1: Clarification of CSR communication

Use the below form as a source of inspiration for your communications activities.

| COMMUNICATE YOUR CSR ACTIVITIES |
|---|
| You can communicate your CSR activities to your stakeholders in many ways – and thus promote your business.<br><br>**How do we get started?**<br>A CSR communications plan must provide the answer to five principal questions:<br>1. Why – is it relevant, what do we hope to achieve, are there any pitfalls?<br>2. What – which CSR activities do we want to communicate?<br>3. Who – to which stakeholders do we want to communicate?<br>4. When – in which connection?<br>5. How – style and tone of voice?<br>6. Where – in which media?<br><br>**Why:**<br>Is it relevant?<br>Communicating about CSR is relevant, if you want to:<br>☐ Enter into a dialogue with your stakeholders to avoid problems or meet challenges in relation to<br>☐ stakeholders<br>☐ Use CSR to establish a dialogue on other issues, such as cooperation or sale<br>☐ Use CSR in the marketing of your products vis-à-vis customers or potential employees<br>It is particularly relevant if you engage in activities which customers or potential employees like.<br>What do you hope to achieve?<br>☐ Provide information and knowledge – avoid misunderstandings<br>☐ Inspire overall interest, appreciation and a mutual feeling of understanding<br>☐ Document or communicate compliance with requirements<br>☐ Inspire action, such as purchase, cooperation, job advertisements, financing<br>☐ Other<br><br>Pitfalls – potential problems?:<br>Before communicating, consider any potential undesirable side effects:<br>☐ Are we creating expectations, which we are not able to meet?<br>☐ Are we disclosing sensitive information to our competitors?<br>☐ Are we hurting the feelings of other stakeholders by announcing our position?<br>☐ Are we receiving more inquiries than we can handle?<br>☐ Other |

**What and whom: Which CSR activities do we want to communicate – and to whom?**
You may communicate directly to a particular stakeholder or to other stakeholders. Some companies choose to inform their customers and job applicants about what they do for the environment, their employees and the local community.

| | Have we done something for this stakeholder in particular which we want to communicate to others? | Should we communicate our CSR activities to/involving this stakeholder? |
|---|---|---|
| Customers | | |
| Customers' customers/end-users | | |
| Suppliers | | |
| Suppliers' suppliers | | |
| Business partners (training, advisers, etc.) | | |
| Employees | | |
| Employee families | | |
| Job applicants | | |
| Owners | | |
| Financial stakeholders (bank, mort-gage credit, insurance, etc.) | | |
| Local community | | |
| Trade associations (employers, sector, trade union) | | |
| Interest groups, culture, charity | | |
| Media | | |
| Authorities | | |
| Environment | | |
| Other | | |

**When – in which connection:**

- ☐ When we communicate in another context
- ☐ Invitation to dialogue with stakeholders: meetings, telephone conversations, questionnaires
- ☐ When we take the initiative – decide something or do something
- ☐ When we take stock and evaluate our stakeholder activities
- ☐ When we have achieved a result
- ☐ When we stop doing something or change our mind

**Choose an angle to the story – consider the recipient:**

- ☐ What will your stakeholder get out of it?
- ☐ How will your actions affect your stakeholder?
- ☐ What will you get out of it?
- ☐ What will other stakeholders get out of it? How will your actions affect other stakeholders?

**Choose a style – What is characteristic of your CSR stories:**

- ☐ Funny, entertaining
- ☐ Humane, touching, value-based
- ☐ Business-oriented, serious
- ☐ Informative, short, simple
- ☐ Technical, precise, elaborate.

**Which communications channels should we choose?**

You can use your existing communications channels free of charge or at a limited cost. They may be:

- ☐ The actual product – packaging in the case of physical products or the description of services
- ☐ Website
- ☐ Offers, brochures or other promotional material
- ☐ Meeting with customers and other stakeholders
- ☐ Annual accounts
- ☐ Newsletters
- ☐ Emails
- ☐ Invoices
- ☐ Greetings cards
- ☐ Display certificates, statements, etc. on the wall for everyone to see
- ☐ Job advertisements
- ☐ Staff journals or other in-house media
- ☐ Other

You may also choose to communicate individual CSR activities. In that case, you may find various media to be relevant, such as:

- ☐ Trade journals, sector media
- ☐ News media: local newspapers, newspapers, radio, television
- ☐ Advertisements
- ☐ Speeches or meetings
- ☐ Word of mouth
- ☐ Other

**The budget?**

You should discuss what you are willing to spend on a communications strategy. Price is a key factor as well, when you have to decide which communications activities to pursue.

## 9.7. Working on your own 2: Non-financial accounts

The step-by-step guide serves as a source of inspiration on how to work with non-financial accounts and what the process implies. In the right column you can enter your comments on the relevance of preparing non-financial accounts in your business.

| Activities | Comments |
|---|---|
| **1. Identify the purpose of preparing non-financial accounts, such as:** | |
| Internally:<br>a) As a supplement to a management system, e.g. environmental management to systematise your CSR activities<br>b) Create awareness of your CSR activities among employees and managers<br>c) Improve the dialogue between management and the employees<br>d) Other? | |
| Externally:<br>a) Document your CSR activities to stakeholders demanding that you get involved with CSR activities<br>b) Improve your corporate image vis-à-vis potential employees, customers, suppliers, the local community, etc.<br>c) Increase awareness of stakeholders and their requirements<br>d) Communicate your CSR activities to other external stakeholders<br>e) Other? | |
| **2. Appoint someone to be responsible for taking the initiative to prepare the non-financial accounts:** | |
| **3. Define how you work with CSR today, such as:**<br>a) Activities targeted at your employees beyond what is required by law, agreements and collective agreements<br>b) Activities vis-à-vis your customers<br>c) Supply chain activities<br>d) Activities targeted at different stakeholders<br>e) Local community activities<br>f) Environmental activities<br>g) CSR as an integrated part of your values, strategy and mission<br>h) Other? | |
| **4. Define goals for your CSR activities:**<br>a) Define overall goals for what you want to achieve by your CSR activities, such as "we want to improve employee welfare".<br>b) Identify actual activities required to achieve your overall goals, such as:<br>• Reduce sickness absence<br>• Reduce stress<br>• Serve healthy food<br>Etc. | |

| Activities | Comments |
|---|---|
| **5. Prepare a strategy for achieving your goals:**<br>Consider the resources available | |
| **6. Prepare an action plan:**<br>a) Consider which initiatives to pursue<br>b) Appoint someone to be responsible for implementing the activity and for reaching your goals<br>c) Prepare a time schedule<br>d) Identify people to be involved with the process – internally as well as externally. | |
| **7. Identify the indicators required to demonstrate that you achieve your goals, such as:**<br>• Number of employees with reduced capacity for work<br>• Number of sickness days<br>• Number of work-related injuries/accidents<br>• Etc.<br>Make sure to identify indicators which are relevant to your goals. They must be concrete and sufficiently measurable. The trend in the number of hours your employees spend on courses may be a relevant indicator, if your objective is to enhance staff qualifications. | |
| **8. Report on your CSR activities:**<br>a) Identify what is required for you to report on your CSR activities<br>b) Identify the purpose of reporting on your CSR activities<br>c) Identify which stakeholders you want to target, such as employees, customers the local community, your local authority, business partners, others<br>d) Consider what to include in the non-financial accounts<br>e) Consider whether to prepare an internal or external report<br>f) Consider the form, scope and structure of the report<br>g) Consider whether your non-financial accounts are to be incorporated into your financial accounts. | |
| **9. Evaluate the process of preparing non-financial accounts:**<br>a) Did you achieve your goals?<br>b) Was the process satisfactory?<br>c) How can the process be improved?<br>d) Other? | |

## 9.8. Links

[National links regarding CSR communication can be added to the list of links.]
[This link is for a Danish tool]

- Statement which may be enclosed with any material to customers can be printed from: www.csrkompasset.dk

# 10

# Summary and conclusion

# 10. Summary and conclusion

This book presents a number of CSR activities in nine areas, offers inspiration to practical use of each area and helps you get started. The activities described in this book are summarised in the figure below:


## 10.1. Strategic CSR

It is now up to you to decide which CSR activities you want to initiate or continue working with. As mentioned earlier, CSR will probably add the greatest value to your business when social accountability enhances your core business and forms an integral part of your central business processes instead of being an appendix incoherent with your organisation or business model.

When deciding which CSR activities you want to initiate or continue working with, you should select the CSR activities best suited to your business and matching your values and challenges. It is essential to consider how the activities may help reduce your costs, increase your turnover or develop new business areas – and at the same time contribute to society.

To derive the full benefit of your CSR efforts you should not work with different activities separately. Take a more systematic approach and think about which activities are relevant to your business and how CSR can contribute to improving your opportunities.

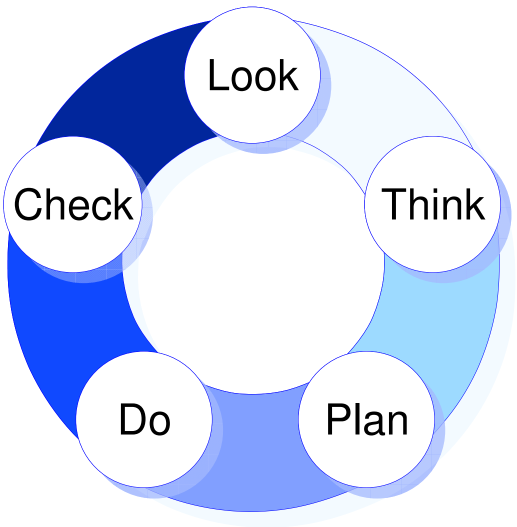
You can do that by joining CSR with the values characterising your business. That is also known as strategic CSR.

Each chapter of this book offers inspiration to getting started with the separate CSR areas described in the individual chapters. Thus, you can explore each CSR area by reading the relevant chapter of this book. If you want to take a more strategic approach, you can follow a strategic CSR process as described in this chapter.

## 10.2. Example of a strategic CSR process

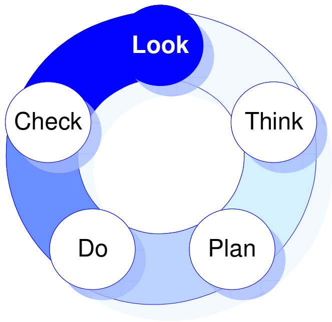
You can use the CSR circle as a model when working strategically with CSR. The circle helps both management and employees keep control of the process even if various employees and managers work with different parts of the process.

Of course, you can tailor and develop the circle to your business and CSR involvement, but we suggest that you use this model as your starting point[15].




[15] The circle forms part of the Danish Federation of Small and Medium-Sized Enterprises' suggested process for environmental management – see more at www.miljostyring.dk

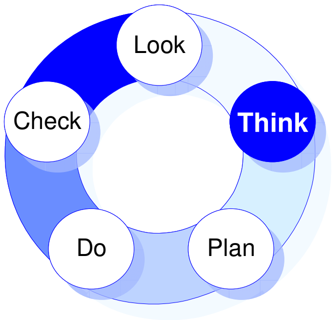
## Look … a mapping process:




Start by looking at what you can do by mapping the opportunities. The mapping process is the first step of the strategic CSR process. The idea of the mapping process is that you discuss which CSR activities will be instrumental in handling the problems or challenges your business is facing. Use the multiple examples in the sections "Working on your own …" in each chapter of this book. You may also include the stakeholders when mapping your CSR opportunities – and draw inspiration from the chapter on stakeholder dialogues.

You can control the process by adhering to the following questions:

- Which overall challenges does your business face – and which CSR activities can contribute positively to this development?
- Which CSR activities match your values, mission and strategy?
- Which managers and employees – and stakeholders – should be involved in the process?




## Think … an evaluation and prioritisation process:

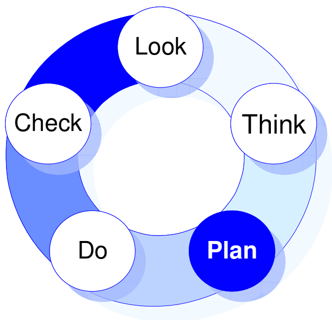
The second step is the assessment and prioritisation process. In this step you assess and prioritise the challenges you identified in the first step as well as the CSR activities you believe will be instrumental in handling the challenges.

You will benefit from starting with the most important matters. Make sure, at the same time, to set realistic goals right from the start. You can always increase your level of ambition later on. Another good idea would be to set success criteria for the project so that you can monitor the progress made and assess whether you have reached your goals.

Relevant issues to clarify in the process:

- How many resources is management prepared to allocate to the process/project?
- Which activities will contribute most to reducing costs, increasing turnover or meeting the challenges you are facing?

## Plan … an action plan:



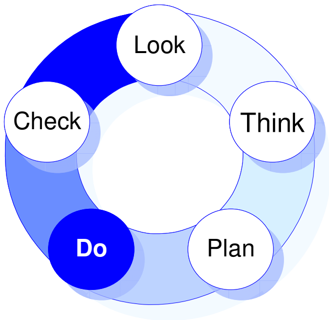

The third step is about who carries out what tasks, how, and when. When you have decided which areas of CSR you want to work with, you can make an action plan for the coming activities. The action plan may be more or less detailed, depending on the project scope. The action plan can be both short-term and/or long-term.

During the planning phase, your primary activity is to make an action plan: Good advice for this phase:

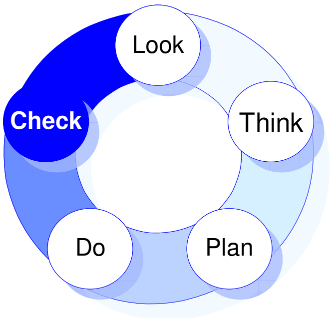
- Set realistic goals

- Prepare an action plan and appoint individuals responsible for specific areas
- Use the existing organisation – but set up a project group consisting of the managers and employees who are most relevant in relation to the tasks. Select the employees on the basis of the knowledge or competencies that are important to the work – but also on the basis of those who are enthusiastic about the matter.

### Do … an implementation process:




In this phase, you carry out the work. This may involve the project group, but also others in the business or stakeholders outside the business. Make sure that you stick to your action plan – and make adjustments, if any, along the way.




### Check … an evaluation process:

The final phase is the evaluation process where you evaluate whether you reached your goals or whether adjustments or additional projects are required. As mentioned, you should check on an ongoing basis if you need to adjust the action plan.

Once you have completed your CSR project, you may benefit from communicating your efforts to the rest of the world. In the chapter on CSR communication, you can find inspiration to communicating your results or the CSR process in the best possible way.

## 10.3. How to get on?

As mentioned earlier, this handbook forms part of the People & Profit project.
The project has a website where this book is available for downloading and you can also find interactive tools and links to other interesting websites and tools about CSR, but most of the material on the website is in Danish.

You can see other contributions from the people and Profit project on this website: http://www.eogs.dk/sw28291.asp

# 11. About the People & Profit project

With the support of the European Social Fund and the National Labour Market Authority, the Danish Commerce and Companies Agency has launched the People & Profit project.

The official project name, People & Profit, indicates that the Danish Commerce and Companies Agency wants to bring focus on people and profit by way of this project. Thus, the goal is that the courses can be of benefit to both your managers, employees and other stakeholders and your financial results.

People & Profit targets small and medium-sized enterprises in Denmark.
The purpose of the project is to offer a large number of small and medium-sized enterprises unique and specific competence enhancement in CSR to improve Danish enterprises' competitiveness and optimise their CSR efforts.

CSR is a concept in which companies voluntarily consider integrating social and environmental issues into their business activities in interaction with their stakeholders.

## Project content

The project consists of five phases:

1. Preliminary study
2. Mapping
3. Development of training module
4. Pilot test
5. Implementation and embedment

Phases 1 and 2 comprised preliminary project research leading to the following results:

- A catalogue of CSR activities prepared by Ashridge Centre for Business and Society
- A report on the coherence between CSR and companies' financial results prepared by Foundation Strategy Group and Centre for Business and Government, John F. Kennedy School of Government, Harvard University
- A catalogue of existing specific and relevant CSR tools prepared by Anne Roepstorff and Lene Bjoern Serpa
- A survey questionnaire prepared by TNS Gallup mapped out the CSR activities of just over 1,000 Danish small and medium-sized enterprises with 10-250 employees and the CSR activities which have the most positive impact on the bottom line.

The reports are available on the DCCA (Danish Commerce and Companies Agency) website at http://www.eogs.dk/sw28291.aspwhich also describes other CSR activities of the agency.

In phases 3, 4 and 5 the Danish Commerce and Companies Agency and Rambøll Management have:

- developed training material for a CSR course, including this book
- developed e-learning material for use in connection with the course – see www.overskudmedomtanke.dk
- completed a pilot project with 50 enterprises
- trained teachers from a number of adult vocational training centres in Denmark.

The Danish Commerce and Companies Agency and Rambøll Management have since offered a CSR course to 12,000 managers and employees of Danish small and medium-sized enterprises in cooperation with a number of network partners.

## Background to the project

To maintain the same level of prosperity and welfare in future, the corporate sector in Denmark must be well positioned to cope with international competition and lead the way in the global markets. It is also a condition that the potential workforce is applied to its full extent and becomes more efficient. Therefore, management must focus on the socially inclusive labour market, good and attractive working conditions, efficient environmental and energy initiatives, etc.

The Danish efforts to meet the Lisbon objective (as appears from e.g. the Danish Government's strategy Growth, Welfare - Renewal II) provide the platform for this project.

## The purpose of the project

The general purpose of the project is to contribute to maintaining and improving the competitive conditions of Danish small and medium-sized enterprises for instance through a socially inclusive labour market providing a good basis for using CSR activities as a real competitive parameter.

The training must fulfil two primary purposes:

- managers and employees of small and medium-sized enterprises accumulate more knowledge of how to use CSR activities as an overall activity with common goals and strategies and according to the other goals and strategies of the business
- managers and employees of small and medium-sized enterprises accumulate more knowledge of how CSR activities can contribute to improving the financial result of the business.

The purpose of the project is fulfilled through the following products:

- create new documentation for CSR as a tool to financial growth in small and medium-sized enterprises in relation to a global competitive situation
- offer a large number of Danish enterprises unique and specific competence enhancement in CSR and thus help them getting started with developing a more strategic approach to the use of CSR activities
- make a visible and efficient contribution to enhancing the Danish and European CSR agenda: The project aims to support the Lisbon objectives and the Danish Government's 2010 employment goals through retention and integration of vulnerable groups in the labour market.

The project concluded in December 2007.

It pays off for small and medium sized companies to invest a little concern in employee welfare, environment and community.

It gives job satisfaction, competitiveness and a good reputation

This handbook contains information, guidance and specific tools to help you in your company work with strategic CSR

## Communication
- Why - Goals
- What – Which CSR activities
- When - Occasions
- Who – Stakeholders
- Where – Media

## Stakeholders
- Who are they?
- Dialogue & Inclusion
- Communication

## Employees
- Prevention
- Retention
- Integration

## CSR Innovation
- New processes
- New Products
- New Services
- CSR Profile business models

## Management
- Good management ethics
- CSR policies, procedures and guidelines
- Social responsibility

## Customers
- Demands from, and dialogue with customers
- Product labels

## Environment
- Pollution prevention
- Waste minimizing
- Reduction of energy, water, materials etc.

## Community
- Community support
- Contribution and sponsorships
- Partnerships

## Suppliers
- Risk assessment
- Guidelines
- Codes of conduct
- Cooperation

**Project People & Profit**
is accomplished by

ERHVERVS- OG SELSKABSSTYRELSEN

- in cooperation with

RAMBØLL management

and supported by the European Social Fund and the Danish Government

ARBEJDSMARKEDSSTYRELSEN

THE EUROPEAN UNION

The European Social Fund