GLOBAL COMPACT
SMALL AND MEDIUM-SIZED ENTERPRISES ON THEIR WAY TOWARDS GLOBAL RESPONSIBILITY

Ten Danish case stories on *human rights, labour standards, environment and anti-corruption in international business activities*

UDENRIGSMINISTERIET
UNDP

Benefits at a glance

Global Compact is essentially about taking responsibility for the impact of your business activities on the rest of the world. The approach is internationally accepted, yet at the same time simple and clear. Focus is on flexibility and each enterprise decides for itself how the ten Global Compact principles are best implemented in their context. Global Compact is a tool to turn social responsibility into a manageable scheme, recognise what you are already doing and where you can perhaps do better. You are required to adopt tangible measures and communicate on progress. Your benefits as an enterprise include:

Competitive advantage
Engaging in Global Compact is a visible reflection of responsible corporate citizenship and sends a clear signal to customers that you are a visionary company living up to your social responsibility. Global Compact makes life easier if you are a supplier to large corporations increasingly demanding social responsibility throughout the value chain. More and more consumers prefer fair trade. Global Compact puts you in a stronger position in the competition for these costumers.

Staff motivation
Social responsibility adds to the favourable reputation of your company. This is increasingly important in order to attract, maintain and motivate staff. Global Compact also renders your corporate values more visible to local communities, lenders and investors who also put increasing emphasis on environmental standards, anti-corruption, child labour and human rights.

Shared understanding
Small and medium-sized enterprises are increasingly part of ever more complex value chains across continents and cultures. Internationalisation calls for a shared understanding of the implications of social responsibility in different parts of the world. Joining the Global Compact offers you a frame of reference accepted across the globe.

Network for inspiration
The shared understanding of social responsibility in practice is a dynamic process. Exchange of experience is critical. Global Compact is conceived as a network allowing participating companies to meet up and develop solutions to challenges by sharing experience with others who are faced with similar challenges of translating responsibility into action.

Flexible possibilities
Global Compact is a voluntary initiative offering your company a frame of reference allowing you to identify the intersection of responsible corporate citizenship and commercial self-interest. Consequently, results as well as challenges will vary significantly from company to company. Commitment to continuous improvements is critical. You demonstrate this commitment by suiting the action to the word and taking advantage of the flexible possibilities.

Preface

In 2000, an extraordinary decision was taken. At a UN summit in New York the world's leaders unanimously decided to seriously address one of the most aggravating problems in the world; the tremendous inequalities between the rich and the poor.

It resulted in eight concrete promises – the so-called Millennium Development Goals – including to reduce poverty by half, ensure education for all children and equal rights for men and women by the year of 2015.

Let us be very clear, we cannot achieve these ambitious goals without the essential ally of the private sector. We need the private sector to create growth and to provide substantial job opportunities in a responsible way.

As a means to ensure such responsibility, the UN Global Compact has been established.

Through ten fundamental principles the UN Global Compact shows how companies can incorporate labour standards, human rights, environment and anti-corruption as an integrated part of their way of doing business.

These universally accepted principles are a common frame of reference for companies in all parts of the value chain, in all parts of the world. At the same time, the initiative is voluntary and flexible, making the Global Compact applicable to the very specific realities and concerns of all companies.

Therefore, we can also see a difference in how companies across the globe approach Global Compact implementation. Surveys indicate that Western companies initially focus on the environmental aspects, while companies in the developing world take their first steps within the area of anti-corruption.

Fortunately, despite the financial crisis – or maybe even because of it – companies worldwide are increasingly adopting such corporate responsibility measures and commit to the UN Global Compact as an answer to the many global challenges.

It shows us that Global Compact is here to stay. It is a fact that when leading companies register in such large numbers, it will influence numerous suppliers and partners worldwide.

Denmark is becoming one of the champions in implementing responsible business principles. Not least due to the Danish Government's adoption of an action plan for Corporate Social Responsibility based on the Global Compact.

With this booklet, the Ministry of Foreign Affairs of Denmark and the UNDP would like to inspire to take action by showing how Global Compact works in practice for a number of Danish companies.

Ministry of Foreign Affairs of Denmark

UNDP Nordic Office

UN Global Compact and Your Enterprise

Global Compact is a flexible and universally accepted frame of reference for your company's efforts to promote corporate responsibility. At the core of Global Compact lie ten fundamental principles based on international conventions of human rights, labour standards, environment and anti-corruption. Universal acceptance means they are suitable as tools to achieve a shared understanding of corporate responsibility with partners in Africa, Asia and Latin America.

It is a voluntary initiative based on networking. It was never the intention to make Global Compact compulsory or use the initiative to survey or regulate enterprises. The point of departure is corporate self-interest in developing aresponsible business and turning this responsibility into a competitive advantage. Numerous participating companies have experienced that strategic corporate responsibility has opened new business opportunities.

More and more companies join
Global Compact is the world's largest voluntary corporate citizenship initiative. With more than 6,800 participants in the beginning of 2009, Global Compact has proven a popular tool for corporate responsibility.

In Denmark, a total of 111 participants had joined Global Compact in the beginning of 2009. A key benefit for Danish participants is the fact that the initiative is accepted across the world. Faced with the challenge of reaching a shared understanding of issues like labour and environmental standards with a supplier in Africa or a customer in the United States, Global Compact works as a shared standard.

Network and mentoring
A network of small and medium-sized Danish enterprises meets three to four times a year to share experiences. Participants also have the option of joining a mentoring scheme whereby newcomers are introduced to the Global Compact by existing participants. Lessons learned are shared along with ideas and inspiration for the first few steps towards implementation. More details can be found on www.gcnordic.net

Getting started
Ten case stories in this booklet illustrate the potential benefits of applying the Global Compact principles in the daily operations of your company. In order to make it easier to decide on which step to take first, this section of the booklet explains the principles in some detail. Focus is on practical relevance for companies. You can also find guidance on how to get started in the various fields of human rights, labour standards, environment and anti-corruption. Finally, the booklet provides an overview of useful resources and tools, all freely available on the internet. By joining Global Compact you agree to incorporate the values expressed in the ten principles into your own set of corporate values. It is up to you to decide how exactly that is best done in your case. You also agree to communicate to the rest of the world on your contribution. This helps disseminating the values to a broader circle of companies.

Global Compact is...	But Global Compact is...
...a voluntary initiative	...not compulsory
...based on universal principles	...not surveillance
...a networking opportunity	...not regulatory
...a tool for continuous improvements	...not a standard or a management system

More specifically, joining Global Compact involves four simple steps:

1. You send a letter from Executive Management with the approval of the Governing Board to the Secretary-General of the United Nations expressing support for the ten Global Compact principles. Details on the postal address and a suggested format for the letter can be found on www.globalcompact.org

2. Next step is to implement changes in the daily operations of your company allowing the Global Compact principles to become an integral part of your corporate strategy, culture and daily life. The case stories in this booklet might provide ideas for inspiration.

3. On your website, in Annual Reports, in press releases and marketing material you can make reference to your support for Global Compact where it comes naturally.

4. Finally, you summarize challenges and achievements once a year. A format has been developed to facilitate reporting entitled Communication On Progress (COP). Inspiration from examples of best practice can be found on www.gcnordic.net and www.globalcompact.org/COP

Joining Global Compact is neither complicated nor particularly demanding. However, Global Compact becomes a missed opportunity if you only declare your general support on festive occasions. The real value of Global Compact is its potential to develop your business, your customer relations and the way you deal with human rights, labour standards, environment and anti-corruption in practice. These principles are described in more detail in the next section of the booklet.

How did Global Compact come about?
The idea of a Global Compact was first introduced by UN Secretary-General Kofi Annan in a 1999 speech to chief executives attending the World Economic Forum in Davos. The 1990s had seen growing opposition to globalization leading to riots and clashes during WTO talks in Seattle. Opponents demanded regulation to minimize the burden of global production on environment and workers. The UN based the Global Compact initiative on voluntary involvement and corporate self-interest in contributing to solutions to some of globalization's unintended consequences.

Global Compact Principles

A key strength of Global Compact
is the flexible approach without categorical requirements or attempts at corporate regulation. It is for companies themselves to suggest implementation steps appropriate in their particular context. Global Compact is based on ten principles in four broad themes. An overview is provided below and followed by a more detailed description on the following pages.

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

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

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

Anti-corruption
10. Businesses should work against corruption in all its forms, including extortion and bribery.

Partnerships
Global Compact encourages participants to engage in partnerships with their stakeholders to find common solutions. Joining up with private organisations or public sector partners can be helpful in implementing the Global Compact principles. The basic concept of partnerships is simple and straightforward – to identify common ground between the private and the public sector and to combine their resources, skills and expertise to improve results. Experience shows that the best results are reached when partners carefully consider what they would like to achieve through the partnership. One of the examples in this booklet shows what the textile company Eurotex Apparel achieved through its partnership with Save the Children. Cross-sector partnerships can overcome challenges that are too difficult for one organisation or sector to address alone, and can make efforts more effective by combining resources and competencies in innovative ways, as evidenced by the case of Eurotex Apparel and Save the Children. Through collaboration, actors can strengthen their efforts to achieve individual objectives by leveraging, combining and capitalizing on complementary resources, strengths and capabilities. Results are achieved that partners could not have achieved on their own.

Human Rights

The United Nations' Universal Declaration of Human Rights from 1948 comprises a set of fundamental rights signed up to by Heads of Governments. Human rights may seem abstract, but include very real rights to health and work, ban on slavery and inhuman treatment, the right to rest, leisure, education and a sufficient standard of living.

Here is how the Global Compact principles on human rights impact on your business:

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights

Responsibility for human rights does not rest with governments or nation states alone. Most likely, your company already supports and respects human rights. Compliance with national legislation passed to comply with international human rights agreement is one such example. However, national legislation can also be conflicting with human rights. Voluntary initiatives can promote and support human rights, e.g. by providing access to health services, education or housing for workers and their families, or by involving local stakeholders in relevant decision-making to local communities.

Principle 2:

Business should make sure they are not complicit in human rights abuses

As a company you need to take steps to avoid direct as well as indirect complicity. Indirect complicity can be particularly difficult to recognise. An example could be a supplier who does not allow his workers sufficient rest and leisure when trying to reduce production costs or simply to meet the deadlines you present them with.

This booklet includes the lessons learnt by Ingemann Foods and Orana in providing training for small producers and the construction of better housing for seasonal workers.

What to do

Make sure subsidiaries and suppliers abide by national legislation. You may want to consider adding your own guidelines on human rights and include them in supplier agreements. Inspiration for the development of such codes of conduct can be found on www.csrkompasset.dk

Update yourselves on the human rights situation and the risk of violations in the countries where your business operates. The Danish Institute for Human Rights publishes Risk Assessment Reports on a regular basis on www.humanrightsbusiness.org

Increase awareness on the importance of human rights by organising workshops and other types of communication activities with staff and local management. Human rights of local relevance can include basic health services, education and housing. It may also be worth exploring prospects for service provision to local staff.

Participate in networks allowing for exchange of experience with other companies. Relevant networks include the Danish Ethical Trading Initiative (www.dieh.dk). You may also find inspiration and useful advice by contacting Amnesty International on www.amnesty.dk

Labour Standards

The labour principles of the Global Compact are derived from the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO). This Declaration was adopted in 1998 by the International Labour Conference, a yearly tripartite meeting that brings together governments, employers and workers from 177 countries. The Declaration includes the right to non-discrimination, the right to a healthy and safe working environment, the right to collective bargaining, freedom of association and a ban on forced labour and certain types of child labour.

Global Compact's four labour standard principles all relate to the four key conventions of the ILO. Here is how the principles impact on your business:

Principle 3: **Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

The key is to enable a constructive dialogue between employers and workers. Freedom of association involves the right of a worker to join a trade union of his or her own choice or indeed decide not to join a trade union. Countries like China and Vietnam with only state trade unions constitute a particular challenge.
In these contexts, companies should - within the scope of national legislation – allow for the establishment of a similar forum for the discussion of labour standards. Furthermore, employers should refrain from all types of discrimination of workers' representatives and respect the right of workers to collective bargaining.

Principle 4: **Businesses should uphold the elimination of all forms of forced and compulsory labour**

Forced labour is a fundamental violation of basic

human rights widespread in several developing countries where businesses confiscate salaries, deposits and identity papers to prevent workers from leaving the work place or look for alternative employment. Workers can also be forced to work overtime or even be locked up on the company premises. Few Danish businesses are directly involved in forced labour. However, the risk of indirect involvement exists through the overseas suppliers or partners. This booklet allows you to share the experience of the Danish company Rice who after careful considerations decided to pull out of a partnership when learning that a supplier used forced labour from Burma.

Principle 5: **Businesses should uphold the effective abolition of child labour**

Child labour is an important source of income for poor families in developing countries. According to Save the Children, one in seven children in developing countries is a worker. The point of departure for international conventions is that children should not work before they have completed primary education. In developing countries without a fully developed educational system, a lower minimum age can be allowed. Children under 18 should never be allowed to do work which could jeopardize their health or development. You may want to consider alternatives like support for schooling or employment of

adult family members. The case story of Eurotex Apparel has more ideas on responsible handling of child labour. Inspiration can also be found in the child labour toolkit developed by Save the Children and the Federation Danish SMEs on www.redbarnet.dk

Principle 6: **Businesses should uphold the elimination of discrimination in respect of employment and occupation**

Discrimination in employment means treating people differently because of race, gender, sexual or political orientation, ethnic or social background. Discrimination should be eliminated in your own policies and operations as well as those of your suppliers.

What to do

Develop guidelines for your compliance with ILO labour standard conventions. Inspiration can be found on www.csrkompasset.dk. You may also want to study the case stories of Pilgrim and Orana in this booklet for ideas on how to link labour standards to business development.

Consider the option of SA8000 certification as evidenced by Rice and Butler's Choice cases of this booklet. Certification will involve third party auditing of your efforts to integrate labour standards in your operations and supply chain. You may also want to consider encouraging your suppliers to be certified.

Participate in networks like the Danish Ethical Trading Initiative (www.dieh.dk) allowing you to share experience with other companies.

Environment

Protecting the environment is a key concern to a number of the businesses sharing their experiences in this booklet. The three Global Compact principles on environment are drawn from a Declaration of Principles and the international action plan entitled Agenda 21. The Agenda emerges from the United Nations Environment and Development Summit held in Rio in 1992. Here is how the principles impact on your business:

Principle 7:

Businesses should support a precautionary approach to environmental challenges

The precautionary approach implies that where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. Prevention requires a mapping of environmental implications of all your production processes. Furthermore, it requires a concerted effort to prevent pollution before it takes place, e.g. by phasing out dangerous substances.

Principle 8:

Businesses should undertake initiatives to promote greater environmental responsibility

As a company you are encouraged to integrate environmental protection in policies, decisions and activities. A pro-active approach is recommended whereby businesses take voluntary initiatives to protect the environment rather than react to problems once they arise.

Principle 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies

Technology is defined broadly to include knowledge, procedures, equipment, goods and services as well as organisational and managerial processes. Companies are encouraged to promote products and production processes less hazardous to the environment. Introduction of environmentally friendly technologies often reduce resource cost and hence involve immediate economic benefits for businesses.

What to do

Assess the various tools available to businesses to decide if you want to establish environmental management systems, apply for certification of products or processes or commit to environmental reporting. This booklet has case examples of Katvig's experience with environmental labelling and Butler's Choice with environmental management systems.

Consider your potential for environmental improvements through adjustment of production processes, raw materials, product portfolio, design and recycling of production waste. You may find inspiration from the case experience reflected in this booklet by Henning Larsen Architects and Emunio on integration of environment in early stages of project design.

Anti-corruption

This principle draws on the United Nations Convention against Corruption in 2003 as its underlying legal instrument. Bribery of foreign civil servants was first criminalized by the OECD Convention from 1996.

Here is how the principle impacts on your business:

Principle 10:

Businesses should work against all forms of corruption, including extortion and bribery

Corruption, defined as the abuse of entrusted power for personal gain, can take many forms. Offences are often labelled 'serious' or 'minor' and referred to as 'bribery' or 'grease'. Bribery is a concerted effort where gifts or money are used to extort benefits you would otherwise not be entitled to. Grease involves payment of small sums of money that expedite or provide permits and other services you are already entitled to. Both offenses are punishable under Danish law. The Ministry of Foreign Affairs of Denmark operates a zero-tolerance policy that can lead to exclusion of companies from public tenders. Violation of Danish law abroad can be prosecuted in Denmark. As a business operating abroad your responsibility includes the operations of your subsidiaries or agents to avoid corruption. Clarification of your policies and guidelines is recommended.

Bribery and greasing are generally acknowledged to influence the reputation of a company negatively and hence damage future earning capacity and profitability.

In this booklet, syringe manufacturer Emunio share their experience in sticking to the principle of never accepting bribes, even where it involves a possible loss of orders. A number of businesses use their participation in Global Compact as a key argument for not accepting bribes.

The Ministry of Foreign Affairs of Denmark helps businesses to avoid corruption in developing countries. Country-specific information as well as advice and guidance on promoting anti-corruption can be found on www.business-anti-corruption.com

What to do
Develop a corporate code of conduct to guide staff in situations where they are confronted with demands for bribery. The code of conduct should make it clear what constitutes acceptable behaviour in certain situations on a given market.

Send a clear signal to partners and clients by communicating your anti-corruption policy in order to minimize the risk of a situation occurring where staff is met by demands for bribery. The communication can include details on the fact that bribery is punishable under Danish law.

Ensure that guidelines are specific on criteria for opting out of a given market because of corrupt practices, be it bribery or grease.

Be open and discuss the topic of corruption freely with all partners. If staff, customers and suppliers have been informed clearly and openly, you will make it easier for the staff member who is faced with the demand of bribery to handle the situation. Subsidiaries, suppliers and agents in developing countries cannot solve the problems alone. You can help by promoting cooperation between companies, organisations and authorities in the fight against corruption.

Lessons learnt by Danish businesses

In the process of developing your own plans for implementation of the ten Global Compact principles, you can find inspiration and useful tips by looking at the experiences of other businesses. The principles may appear a bit high-flying. In order to bring the principles down to earth and show their potential implications for your business, this booklet brings together ten case stories of Danish small and medium-sized enterprises. Owners and managers explain how they have benefitted from turning the ideas into action.

Many businesses already deserve recognition as responsible corporate citizens for their efforts to promote what is commonly referred to as Corporate Social Responsibility (CSR) or simply just Corporate Responsibility. However, not all businesses have referred to these efforts as CSR. Refusing bribery in the Far East may have been taken for granted. Responsible environmental standards in Africa may just have been common practice that your company has not flaunted. Nonetheless, displaying your efforts more visibly might be worth considering in a situation where increasing numbers of large business customers demand corporate responsibility throughout value chains including your business. Displaying your corporate responsibility more clearly can offer significant competitive advantages.

Overview

The following pages of this booklet present ten case examples with lessons learnt by small and medium-sized companies in implementing the Global Compact principles. The table below provides a quick overview of the companies, their challenges, advice to other companies and the aspects of Global Compact that the companies initially have focused on.

Definitions

CSR: Corporate Social Responsibility or simply just Corporate Responsibility defined broadly as voluntary promotion of responsible corporate citizenship

SA 8000: A certifiable CSR management system focusing on labour standards and working environment

ISO 14001: A certifiable environment management system

IPD programme: Danida programme supporting the efforts of businesses and organisations in promoting work and living standards in developing countries through innovative partnerships

B2B programme: Danida programme supporting long term partnerships between businesses in Denmark and Danida's programme countries

Company	Challenges	Advice	Global Compact aspects
1. **Rice Ltd.** (Gift articles)	How do we provide agreeable conditions for village home workers in Madagascar and Thailand?	Organise your efforts through dialogue, SA8000 and Global Compact	Human Rights Labour standards Environment
2. **Eurotex Apparel Ltd.** (Textiles) and Save the Children	How do we handle child labour in Bangladesh responsibly?	Participate in partnerships with organisations and other businesses	Labour standards (Especially child labour) Partnerships
3. **JUAL Ltd.** (Roof accessories)	How can Chinese subsidiaries and suppliers live up to Danish working environment standards?	Create small success stories Build on success with continuous improvements	Labour standards Environment (focus on precautionary approach)
4. **Butler's Choice Ltd.** (Food)	How do we work with our Vietnamese suppliers to raise environmental standards?	Promote corporate responsibility based on a strong convictions Build long term relationship of trust with your suppliers	Labour standards Environment
5. **Pilgrim Ltd.** (Jewellery)	How can we inspire our Chinese suppliers to improve working environment and labour standards?	Use networks and dialogue Focus on partnerships and real improvements rather than control	Human rights Labour standards Environment
6. **Katvig Plc.** (Children's clothes)	How can we as a small enterprise promote acceptable environmental standards of large Chinese suppliers?	Do not think you have to invent everything yourselves Use networks and existing labelling schemes	Labour standards Environment
7. **Ingemann Foods Ltd.** (Food)	How can a Nicaraguan bee farmer qualify to be part of our supply chain?	Integrate CSR into your business model Build long term relationships with your suppliers	Human rights Labour standards Environment
8. **Orana Ltd.** (Fruit)	How do we link business development and CSR in our partnerships in India?	Select your partners carefully and be patient Build long term partnerships	Human rights Labour standards
9. **Henning Larsen Architects** (Architecture)	How can we work strategically with environment improvements and energy efficiency in construction projects?	Start where you have the most influence Share your experiences with other businesses	Environment (focus on energy efficiency)
10. **Emunio Plc.** (Syringes)	How do we work development-oriented and strategically with Global Compact implementation with our partner in Tanzania?	Involve staff actively Put your policies in writing Update documentation of progress continuously	Environment Anti-corruption

1. Rice Ltd.
Dialogue that binds

Rice Ltd.
- Wholesale business for arts and crafts gift articles
- Founded in 1998
- 42 staff members
- Suppliers in Africa and Asia
- Turnover in 2008: DKK 53m

rice
people care - we care

Growth company Rice has incorporated the Global Compact principles on labour standards and environment all the way from their base in the port of Odense to long term suppliers in Africa and Asia. A strong stand on forced labour has led Rice to terminate relations with one supplier. The overall picture, however, is one of success on the basis of social and environmental values. Rice proves that CSR pays off.

"When we started the company in 1998, we agreed that we would do our best to ensure decent conditions for our suppliers in Madagascar and Thailand", explains founder Philippe Gueniau. "Today, we work with the same four suppliers and their production networks in Madagascar where we have baskets manufactured using natural dye palm fibre. The partnership involves us paying fair prices for our products and thus supporting the desire of the producers to remain in the villages and keep families together."

In Thailand, Rice founded the company Rice for Asian Design. The factory in Chiang Mai now employs 75 workers and has created another 50 jobs in a nearby village. "In order to avoid splitting up families and an often hazardous working environment in cities, we support production in villages where workers generate additional income by tilling the fields. We consider this a binding partnership similar to the one we have in Madagascar. Part of our obligation is to identify relevant and suitable jobs for the villagers. We take this obligation very seriously", Philippe stresses.

In 2002, Rice was the first Danish company to be certified for social responsibility through the SA 8000 scheme. Joining Global Compact in 2006 became a natural next step along the ethical path that the founders set out on ten years ago on the island of Langeland. Rice hired Mr Claus Skov as CSR and logistics manager in 2006.

"The UN Global Compact works well for us. Because of the fact that everybody knows the UN, we are not seen as imposing a Danish or Western idea. The Global Compact has made us aware of the diversity of issues affecting us when we produce in developing countries", states Claus Skov.

Why Global Compact?

- Universally accepted, not seen as a Western concept
- Puts the CSR efforts into context
- Single issues can be made part of a comprehensive approach

Rice focus:

- Labour standards
- Human rights

Combining SA 8000 and Global Compact has been perfect in creating an overall framework for our efforts

Advice from Rice

"Combining SA 8000 and Global Compact has been perfect in creating an overall framework for our efforts. The audit element of SA 8000 involves third party endorsement of our activities. SA 8000 is a useful managerial tool, not least when it comes to dialogue with suppliers and staff in India and Thailand", Claus Skov explains. Rice has developed check lists and questionnaires to be used during visits to suppliers. "We cannot develop a 100 per cent watertight system but we are doing our best to enter into dialogue with our suppliers. We do not consider control in itself to be sufficient", says Claus Skov. "Effective communication of sensitive messages on labour standards, health and safety at work and overtime is of key importance. We prefer dialogue but have had one incident with a Thai supplier using forced labour in Burma. In such instances, supply agreements simply have to be discontinued."

Philippe Gueniau concludes with the following piece of advice for small and medium-sized enterprises ready to get going. "Start with the most visible burning issues you meet out there and solve them one by one. In order to avoid a haphazard approach, Global Compact can help you put CSR visions and activities into a gradually more strategic context."

2. Eurotex Apparel Ltd. & Save the Children Partnership for responsibility

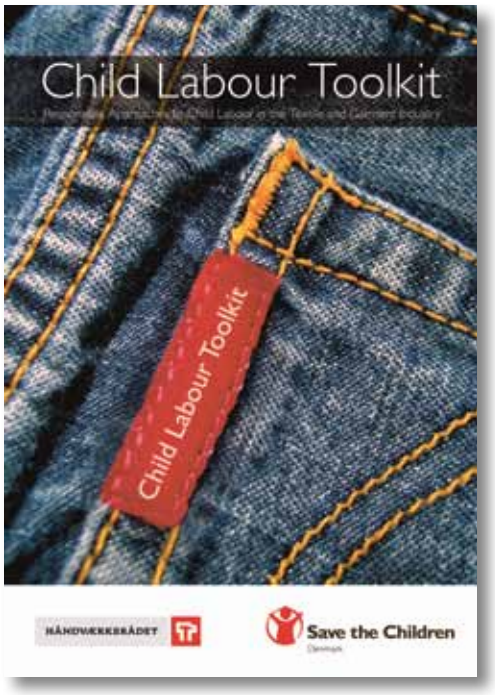
Eurotex Apparel Ltd.
- Textile industry
- Established in 1969
- 60 staff in Denmark, Bangladesh, China, UK and South Africa
- Suppliers in Malaysia, India, China and Bangladesh

Global Compact strongly recommends partnerships with stakeholders in support of broader developmental goals, not least when businesses need new tools they cannot develop on their own. Supported by the Ministry of Foreign Affairs of Denmark, six Danish textile companies joined hands with Save the Children, the Federation of Danish SMEs and the Federation of Danish Clothing and Textile Industries (DTB) and demonstrated that partnerships can help tackle difficult challenges like child labour. Achievements of the partnership include a practical guide for businesses.

Child workers in the textile industry of developing countries is a complex challenge including individual business being blamed in media reports for having child workers in their factories. Media attention has also led to some textile factories in Bangladesh excluding workers between 14 and 18 years of age. With half the Bengali population under 18, this constitutes a problem as young workers often provide for their families and young female workers excluded from the textile industry are reported to have moved to prostitution.

In 2005, Eurotex Apparel decided to enter into a partnership with a number of other Danish textile companies and professional bodies to find a solution. An advisory committee in Bangladesh brought together representatives of suppliers, Bengali professional bodies and NGOs. “We have made significant progress on CSR in Bangladesh, including a reduction in sickness absenteeism from ten to six per cent by introducing clean drinking water in factories so that workers would no longer have to carry drinking water from the slums. Child labour, however, is a much more complex issue which we had to partner up to solve”, say Henrik Johannesen, CEO of Eurotex Apparel.

The partnership is a learning process resulting in a practical guide for companies entitled the Child Labour Toolkit. The tool kit has been developed in accordance with international conventions on child labour and provides answers to questions like: How do you define child labour? What constitutes dangerous work? Which processes should 14 to 18 year



olds be allowed to work with? And how do you find out how old children really are?

Advice from Eurotex Apparel
Companies can benefit greatly and sometimes unexpectedly from partnerships. Eurotex Apparel participated actively in the Bangladesh textile partnership and has now got operational guidelines for employment of 14 to 18 year olds who work in their factories whilst attending formal vocational training. “Well trained young workers are badly needed and we are keen to assist if we can turn youngsters at risk of ending up on the streets into valuable and qualified workers”, states Henrik Johannesen. Henrik Johannesen recommends a responsible approach to the handling of child labour to companies in general. “It is wrong to simply sack children involved in the production of your suppliers. It is much better for all to explore alternatives like schooling or vocational training, possibly combined with lighter work.”

“We are pleased to be part of a partnership”, says Henrik Johannesen, because responsibility is no longer a simple question of your own personal morals. We were guided by instincts when we started caring for staff in 1999. Responsibility is increasingly required by customers and rapidly becoming a key element in contract negotiations. This renders responsibility a strategic priority in our business development. We need all the input we can get to make responsible corporate citizenship easier”, Henrik Johannesen concludes.

Why Global Compact?

- Opportunities for partnerships
- Exchange of experience with experts, customers and other interested parties
- Improved reputation to be used for marketing purposes

Eurotex Apparel Focus:

- Labour standards
- Partnerships

3. JUAL Ltd.
Prevention with limited resources

JUAL Ltd.

- Specialized in roof accessories
- 50 staff member of JUAL Ltd, established in 1968
- 60 staff members in Chinese subsidiary, established in 2004
- Turnover: DKK 100m incl. Chinese subsidiary

JUAL, a producer of roof accessories, received support for its first CSR activities from the Public Private Partnership Programme of the Ministry of Foreign Affairs of Denmark. Subsequently, JUAL has used dialogue and the force of example to promote labour standards and environmental protection at their subsidiaries and suppliers in China. Corporate responsibility is not only a point of view. It involves daily challenges of preventing tinnitus and squeezed fingers.

JUAL CEO Martin Thomsen points out that CSR is a long process. Competing tasks with shorter deadlines have a tendency of pushing CSR to the side. Consequently, CSR needs to be integrated into the daily routines and management of suppliers.

"When we set up in China, putting a CSR management system in place was a long haul. The factory was upgraded with soundproofing, personal protective equipment, screen enclosures and ventilation systems. We have a total of fifteen long term suppliers in China. We evaluate our suppliers on an annual basis and follow up on an ongoing basis. Our moderate size forces us to think carefully before making firm demands. Fortunately, our presence in China makes it easier for us to work closely and constructively with our suppliers. Our advice has to make sense locally. I can understand if suppliers only use ear plugs when we are visiting. Ear plugs only start making sense to workers when they have experienced the difference they can make. The force of

example sometimes takes time to work", states Martin Thomsen.

"CSR activities have to be tailored to the size and character of our company. Global Compact allows us to operate a CSR concept suitable to our needs. Flexibility allows us to keep up momentum by introducing improvements step by step. On a daily basis, we are tempted to make shortcuts and buy cheaper products. Heated galvanization is an example of a technique we have opted against because of the mess. We are not convinced we would be able to provide sufficient quality to our customers if there is too much pollution in our own factory backroom, even if we would be able to source the products five times cheaper", argues Martin Thomsen.

JUAL considers participation in the Global Compact as a visible proof of the company's commitment to CSR. "Global Compact shows that the whole CSR range is under control and of high quality. By joining Global Compact we achieve improved market positioning and are able to differentiate ourselves from 95 per cent of our competitors", says Martin Thomsen.

Advice from JUAL

Martin Thomsen summarizes his experience in the following piece of advice. "It requires a special effort to initiate CSR efforts. However, when these measures are in place only very few resources are required. In order to open the eyes of suppliers it is essential to create small success stories from the outset. We spend a lot of time commending suppliers for their efforts. With time suppliers realize that we are serious and dependable customers."

"We started out by identifying key areas where we could achieve quick impact as well as areas where we would need to keep a long term focus. Basically, CSR needs to be boiled down to something tangible with overall objectives and intermediate objectives. From there, it is all about keeping up momentum and making progress with constant improvements", concludes Martin Thomsen.

Why Global Compact?

- Keeps constant focus
- Demonstrates control of the full range of CSR
- Strengthens competitive position

JUAL focus:

- Labour standards
- Environment

CSR activities have to be tailored to the size and character of our company. Global Compact allows us to operate a CSR concept suitable to our needs

4. Butler's Choice Ltd.
Small fish with big influence

Butler's Ltd.
- Quality fish and shellfish dealer
- Established in 1997
- 6 employees in Denmark, 14 in Vietnam and 9 in India
- Suppliers in Vietnam and India
- Distributes more than 2,000 tons of fish and shellfish annually

Binding partnerships with long term suppliers is the recipe of Butler's Choice for environmental responsibility. Achievements include cleaner water in the Mekong River owing to a new wastewater treatment plant advocated by the Danish company and its supplier. Butler's Choice is based in Kerteminde and deals with fish and shellfish using the slogan "We Care To Be Fair."

"We import tiger shrimps from a factory in Vietnam. They used to pump wastewater directly into the Mekong River. At the time, the factory had no alternatives because the government did not allow them to build a wastewater treatment plant", explains founder Jacob Stokkebye. "We approved the factory with reservations regarding wastewater. Butler's Choice purchased increasing amounts of produce and now takes app. 20 per cent of the total production. At one stage we were asked to help the factory write a letter to the authorities linking the future purchase of tiger shrimps of Butler's Choice to the application for a new wastewater treatment plant. Permission was granted. First we had to demonstrate our reliability. Then we were able to make demands. If action is suited to the word, you win confidence", says Jacob Stokkebye.

"Environment is our top priority, for moral reasons as well as long term business interest. We have invested and taken home smaller short term profits but now welcome increasing numbers of customers demanding certified production process that cannot be copied over night. Purchasers increasingly demand exactly the type of documentation we have built up over the years. Three quarters of our customers are prepared to pay extra for environmentally friendly products. Certification is the only guarantee available that fish is free of phosphate. We guarantee that standards are respected", states Jacob Stokkebye.

Butler's Choice is one of the few Danish companies with an SA8000 certification (CSR management system) as well as ISO14001 (environmental management system). Jacob Stokkebye explains. "We are pleased to participate in Global Compact because it offers something completely different from our two certifications. We see the strength of Global Compact as a network of businesses involved in voluntary initiatives like ourselves. The dialogue with other

Why Global Compact?
- Voluntary approach with flexibility and innovation
- Access to networks and professional dialogue
- Input to management systems of the company

Butler's Choice focus:
- Labour standards
- Environment

businesses involved is a source of great inspiration to us."

Advice from Butler's Choice

"My advice to companies wishing to make a difference is to act out of conviction. Corporate responsibility should not be driven by formal requirements or pressure. You have to believe strongly in your own product. Butler's Choice has achieved tangible benefits owing to strong and constructive supplier partnerships. Building up goodwill motivates suppliers to deliver top quality fish products. Top quality is of the essence to Butler's Choice and was recognised in 2008 with an award for the best tiger shrimp on the Danish market. Key to our success has been the conviction that suppliers must be won over by strong arguments and have a clear understanding of the reality suppliers are coming from. "Sometimes these processes take time but in our experience there is no point in enforcing an agreement with demands that subsequently turn out not to be respected", Jacob Stokkebye concludes.

5. Pilgrim Ltd.
Dialogue and demands go hand in hand

Pilgrim Ltd.
- Jewellery manufacturer with its own retail outlets
- Established in 1983
- 224 staff members in total, 10 staff members in China
- Suppliers in China
- Pilgrim Foundation was established in 2007 in support of development in Africa
- Turnover in 2008: DKK 370m
- More than 85 per cent of sales are exported

PILGRIM
DANISH DESIGN

Labour standards and environment are key components of jewellery company Pilgrim's implementation of Global Compact. Activities include dialogue on working environment, a fund to support projects in Africa and a piece of jewellery for charity. Pilgrim bases its approach on constructive communication with partners rather than control and criticism. Activities include training in health and safety at work and 'positive auditing' of suppliers.

In 2007, Pilgrim established a foundation in support of development in Africa. An usual step for a medium-sized Danish company. Pilgrim founder Thomas Rud Adamsen explains: "The purpose of the foundation is to help Africans help themselves. In 2008, we have supported six projects in Tanzania on a wide range of topics from business training for street children to HIV/AIDS education." Pilgrim has committed itself to donating one per cent of the company's profit to the foundation. Profits from a specially designed piece of jewellery are also envisaged to benefit the foundation. In the long term, Pilgrim would like to establish fair trade certified jewellery production in Africa.

However, at present Pilgrim buys all its jewellery in China. In order to ensure decent production facilities and keep close contact with suppliers, Pilgrim has established its own auditing system. Pilgrim is not convinced that independent auditors can always be trusted. "It is important for us to visit our suppliers to get a clearer impression for ourselves. We make demands but we also have a dialogue. We cannot guarantee that everything is perfect but we are moving things in the right direction", says Thomas Rud Adamsen.

Pilgrim refers to its own auditing system as positive auditing. The Chinese suppliers are not always receptive to criticism. We find that a positive approach works better. We focus on inspiring suppliers to make improvements on an ongoing basis rather than simply controlling the present state of affairs. CSR is weighed equal to quality and price when Pilgrim purchasers evaluate suppliers. A local staff member is in charge of auditing as we see great benefits in interacting with suppliers on a daily basis. We have also carried out training in health and safety at work for our suppliers. Our experience tells us not just to talk to the hearts but also to the business sense of our suppliers. It is not always easy to obtain the support of management when staff members return from training sessions. Progress is faster with some suppliers than with others, but you should never give up", concludes Thomas Rud Adamsen.

Why Global Compact?

- Contributes to business development
- Keeps a focus on CSR activities
- Reporting provides us with a useful overview

Pilgrim focus:

- Human rights
- Labour standards
- Environment

If we were to start all over again, we would get involved in relevant networks and learn from the experience of other companies

Advice from Pilgrim
Pilgrim is convinced that corporate responsibility goes beyond charity and helps develop their business in a way that strengthens their future competitiveness. Corporate responsibility is also important with respect to attracting and maintaining qualified and committed staff.

Pilgrim has taken a number of initiatives without necessarily having a fully developed strategy or fixed idea of a final destination. "We have been able to launch a multitude of efforts but that may not be the right approach for all companies. If we were to start all over again, we would get involved in relevant networks and learn from the experience of other companies. Regardless, CSR will always be a long process where you simply cannot do everything at once. It is better to take slow steps than not to get anywhere at all", Tomas Rud Adamsen concludes.

6. Katvig Plc.
Following suit

Katvig Plc.
- Manufacturer of children's clothes
- Established in 2003
- Turnover in 2008: DKK 56m
- 17 staff members
- Suppliers in China, Ukraine, Taiwan, South Korea, Indonesia and Turkey

To Katvig, a manufacturer of children's clothing, responsible corporate citizenship primarily involves integrating environmental concerns into their supply control system. Keywords include clarity, realism and alliance building. So far, focus has been on health and environment, and Katvig has found ways of working with suppliers already audited by larger clients or approved for existing environment and health labels. Next step is labour standards and, in time, organic cotton farming in Africa.

Healthy clothes were part of the business concept when Katvig was founded in 2003 and consequently, the present focus on environment and sustainability has come naturally. Ms Pia Odgaard was recruited as Katvig's sustainability manager in 2007 to handle the process. "We lean heavily on existing labels like the EU Flower, the Swan and the Global Organic Textile Standard (GOTS)", Pia Odgaard explains.

"In my view, sustainability is essential for the long term survival of businesses. Sustainability is becoming mainstream, as we have seen with the labels in a number of places. We have banned air freight of textiles and introduced a self-degradable carrier bag made out of plastic. The bag is used by suppliers for packaging and again by customer as a carrier bag. Huge quantities of non-degradable plastic are used for freight packaging and it makes good common sense to recycle it", says Pia Odgaard. Katvig has developed ethical guidelines used as attachments to supplier contracts. "We have twelve main suppliers producing for us four times a year. Essentially, we are a very small customer to our suppliers and do not find ourselves in a negotiating position where we can make categorical demands too easily", Pia Odgaard states.

Katvig's focus has been on environment and sustainability and now wants to include efforts to promote labour standards. Pia Odgaard relates: "The world is not black and white. We may think it is wrong to work four or five hours of overtime every day. However, Chinese migrant workers living far away from their family and children want to work as much as they possibly can. If we do not allow them to work extra hours, they will look for work in the evenings somewhere else. Dialogue with other companies on these sensitive issues is important to us. We cannot meet all these challenges on our own. This is why we have joined Global Compact and the Danish Ethical Trading Initiative. We also dream of one day having our own organic cotton farm in Africa", Pia Odgaard tells.

Advice from Katvig

Sustainability is an integral part of the business philosophy of Katvig. It is driven by idealism as well as a conviction that it puts Katvig in a stronger market position than their competitors. Pia Odgaard shares this piece of advice with other companies: "It is essential not to approach CSR as the icing on the cake. Without true conviction initiatives cannot be sustained in the long term. As a small and medium-sized enterprise you have to think carefully about the way you spend limited resources wisely. Using networks and recognised labelling schemes offer attractive opportunities. There is not point reinventing the wheel and we cannot be experts in everything", Pia Odgaard concludes.

Why Global Compact?

- Helps us hold on to our ambitions
- Develops our company
- Supports important initiatives

Katvig focus:

- Environment
- Labour standards

7. Ingemann Foods Ltd.
Organic farming for beekeepers

Ingemann Foods Ltd.
- Food distribution
- Established in 1989
- 17 staff members in Denmark, 25 in Nicaragua
- Suppliers in Nicaragua
- Turnover in 2008: DKK 40m

Ingemann Foods is a family-held company with ambitious plans for beekeeping in Nicaragua. A well-developed network in Nicaragua is activated to promote human rights and environmental protection. Organic production principles, decent standards of health and safety at work and involvement of women are used as the vehicle to realize the ambitions. Ingemann Foods live up to their corporate responsibility but underline that responsible corporate citizenship can be profitable as well.

Nicaragua's export of honey is limited in scope but holds great potential. The ambition of Ingemann Foods is to establish a significant production base for organic honey from their own beehives as well as from small local producers. In 2008, Ingemann Foods constructed its own packing facility with a capacity of 1,000 tons. "When we reach the target of 1,000 tons, we will be employing more than 100 workers in the field and between 25 and 50 in processing and administration. This will make us the largest producer of organic honey in the whole of Latin America", CEO of Ingemann Foods Niels Møller explains.

"Large scale processing and packaging facilities allow for increased earnings. It is also the only we can guarantee organic standards", Niels Møller states. Local beekeepers deliver a minimum quantity of one barrel at a time. Ingemann Foods controls quality and pack the honey in an identifiable barrel as traceability is essential for market access. Ingemann Foods offers training in hygiene and certification and training is open to the company's own producers as well as small local beekeepers. Ingemann Foods sees these training opportunities as their contribution to a broader development of the sector.

"We are pleased to be part of Global Compact and see strategic corporate responsibility as an integral part of our business model. Global Compact helps move or commitment one level above pure philanthropy and matters of conscience. To us, the human right principle of Global Compact is essential. We invest in health and safety at work, training and canteen services. We also have a scheme of employing more women and avoid all types of discrimination. Our female staff members are particularly competent when it comes to hygiene and generally display supe-

Why Global Compact?
- Strategic approach to corporate responsibility
- Covers the whole range of CSR aspects
- Top priority of human rights

Ingemann Foods focus:
- Human rights
- Labour standards
- Environment

rior degrees of work discipline. We also know for a fact that salaries to women benefit children more than salaries of male workers. We are doing all out of convictions but also on the strength of the business case", Niels Møller explains.

Advice from Ingemann Foods

According to Ingemann Foods, a key argument for corporate responsibility is the positive effect on relations with local partners. If corporate responsibility is integrated into the business model, it is a worthwhile investment. It attracts and retains staff, it offers competitive advantages and it gives support from local communities. In the case of Ingemann Foods, local communities have been found to be particularly appreciative of market opportunities, decent working conditions and education opportunities.

"When you offer decent working conditions, the challenge is to avoid being seen as someone who can be easily cheated. The challenge of behaving decently without being cheated has to be mastered over time. In our experience, a strong in-country presence is essential", Niels Møller advises.

"Finally, we strongly recommend schemes like the B2B Programme of the Ministry of Foreign Affairs of Denmark to companies about to establish long term partnerships abroad. There is a strong business case for corporate responsibility but it is not always possible to get started with out a helping hand. We see great opportunities in our sector and are looking to East Africa for new opportunities. East Africa has an excellent natural production base for organic honey", Niels Møller rounds off.

When you offer decent working conditions, the challenge is to avoid being seen as someone who can be easily cheated

8. Orana Ltd.
With the fruit suppliers all the way

Orana Ltd.
- Fruit-based ingredients
- Established in 1999
- 180 staff members worldwide
- Suppliers all over the world
- Turnover in 2007-08: DKK 130,2m
- 85 per cent of sales are exported

Orana develops and sells fruit-based ingredients to dairies and food producers all over the world. Not all suppliers have the knowledge required to produce the quality Orana demands. Consequently, Orana identifies long term partners allowing for technology transfer and promotion of human rights and labour standards to go hand in hand. It takes time, but pays off.

Orana applies a business approach of assisting the most promising suppliers on a new market in their positioning efforts. This gives Orana competitive edge when that market grows. Orana is successful with these long term partnerships, especially in India and Vietnam. Initially, the raw materials supplied where not always of a satisfactory quality, but technical advice has been effective in improving quality standards. Next step was to scale up production. This presented Orana with renewed challenges of quality assurance. Quality manager Erik Steen Hansen explains: "In Vietnam, we established fruit collection units as a means of involving small farmers. This has proven useful in ensuring stability of supplies, loyalty and goodwill."

"We identify suppliers who have the best quality of fruit as well as decent conditions for workers. The fruit sector is often marked by seasonal work, law wages and hazardous working conditions. We cannot change the world overnight, but we can try to push things in the right direction. This is why we have joined SUSBIZ India, a project involving one of our mango suppliers in India and supported by the Ministry of Foreign Affairs of Denmark, the Companies and Commerce Agency of Denmark and the Danish Federation of SMEs. To begin with, the process was slow in getting off the ground locally, but working with our mango supplier Orana has helped improve seasonal workers basic right such as contracts, improved housing and access to water and sanitation. It appeared overwhelming and costly at first, but our supplier has now fully grasped the idea. Customers demand corporate responsibility and we have more than doubled our purchases from our supplier in India", Erik Steen Hansen states.

Head of Projects and Administration at Orana Betina Moldt Rasmussen draws parallels to business opportunities in Africa: "We have worked with pioneers on promising markets in Africa as well. There are excellent natural conditions for fruit production whereas market development and process knowledge is more limited. In Egypt we have assisted a supplier in upgrading to the extent that they now provide us with mango, guava, strawberries and oranges of international quality standards suitable for global markets. Our strategy is to help the suppliers get to a position where they deliver the right quality and subsequently benefit from the loyalty, stability and market position of those suppliers."

Advice from Orana

"My best advice to small and medium-sized enterprises wishing to engage in strong and long term partnerships in developing countries is to start the process with a partner they already trust. Careful selection of your partner is essential where you are in it for the long haul. Be tolerant and patient and do only scale up when you are sufficiently confident in your partner. The rewards do not come overnight. However, if prepared carefully, it is worthwhile from a business point of view as well. In our experience, the potential for competitive positioning is significant", concludes Erik Steen Hansen.

Why Global Compact?

- Makes responsible corporate citizenship visible
- Provides a solid foundation for long term relations with suppliers
- Offers a framework for respecting human rights in a business context

Orana focus:

- Human rights
- Labour standards

9. Henning Larsen Architects
Energy efficiency in construction

Henning Larsen Architects
- Architectural company owned by partners
- Established in 1959
- 130 staff members
- Office in Riyadh, Saudi Arabia established in 2008
- Turnover in 2007/2008: DKK 150m
- 65 per cent of turnover comes from projects abroad

HENNINGLARSENARCHITECTS

Henning Larsen Architects have opened an office in the Middle East, leading to discussions not least on gender equality. A point is also made of integrating sustainability in project design. Energy efficiency saves cost and cost is a critical competitive parameter on the market. Global Compact is well suited to the company's ethical and environmental profile.

Henning Larsen Architects kick-started their CSR process with a corporate seminar on corporate responsibility. Head of Communications and CSR Farid Fellah explains: "We discussed how we could define the limits of our responsibility and focus effort where we had real influence. For an architectural enterprise, it is obvious to focus on the Global Compact principles on environment. This is where we have real influence. At the same time, environment is increasingly becoming an important sales parameter. We have established a multi-disciplinary task force charged with the screening of all projects as early as possible in the process. This helps integrate sustainability in our regular creative process. In order to strengthen the knowledge base of our approach we have recruited three PhD students from the Technical University of Denmark specialising in energy optimisation of construction work. Not only buildings require optimisation. In a more holistic approach surroundings such as infrastructure and recreational areas play an important role."

A case in point is a recreational centre for children in Damascus by Henning Larsen Architects. A special construction technique creates natural ventilation and shade, reducing energy consumption with 30 to 40 per cent. Another case in

Why Global Compact?
- Systematic approach makes it easily accessible
- Potential for synergy with our professional communities
- Framework for broad range of corporate responsibility initiatives

Henning Larsen Architects focus:
- Environment

point is the finance district of Riyadh where the combined effects of shade and capacity to retain humidity reduce the impact of outer temperatures by 6 to 8 degrees.

The experience of Henning Larsen Architects in the Middle East goes back to the 1970s. "We have to follow the rules of the game in Saudi society. Working conditions for our female colleagues are different in the Middle East and female staff members wear a long dress when they work in Saudi Arabia. However, it is essential for us to have a professional dialogue regardless of gender and religion. Consequently, we only look at competencies when identifying the right people to work on a new project", says Farid Fellah.

The Danish Architecture Centre (DAC) decided to focus on Global Compact and corporate responsibility by organising the exhibition Building Sustainable Communities. Henning Larsen Architects was the first architectural company to join Global Compact but has since been joined by a great number of others. Farid Fellah explains: "Global Compact suited us well. We needed a systematic approach and found most existing tools on the market to be too supply-oriented for our needs."

Advice from Henning Larsen Architects:
"For us as architects it is essential not to keep our activities and experiences to ourselves. By contrast, we have an obligation to share our knowledge and insights", states Farid Fellah.

In spite of current achievements, Henning Larsen Architects may only have completed its first round of CSR. "We are getting to the point of looking at the whole area of labour standards in building materials. We can achieve much more if we do this as a profession. The profession has already been dragged into the limelight because of working conditions in Chinese and Indian granite processing. Our principal advice to other small and medium sized enterprises is to define their own sphere of influence and take it from there. Careful steps in the right direction can be more effective than attempting giant leaps. And make sure those careful steps are clearly understood by everybody in your own company first", concludes Farih Fellah.

Our principal advice to other small and medium sized enterprises is to define their own sphere of influence and take it from there

10. Emunio Plc.
Small syringes, big ambitions

Emunio Aps
- Manufacturing of medical articles (single-use syringes)
- Established in 2004
- 25 staff members
- Production in Malaysia and Tanzania (Bangladesh starting 2009)

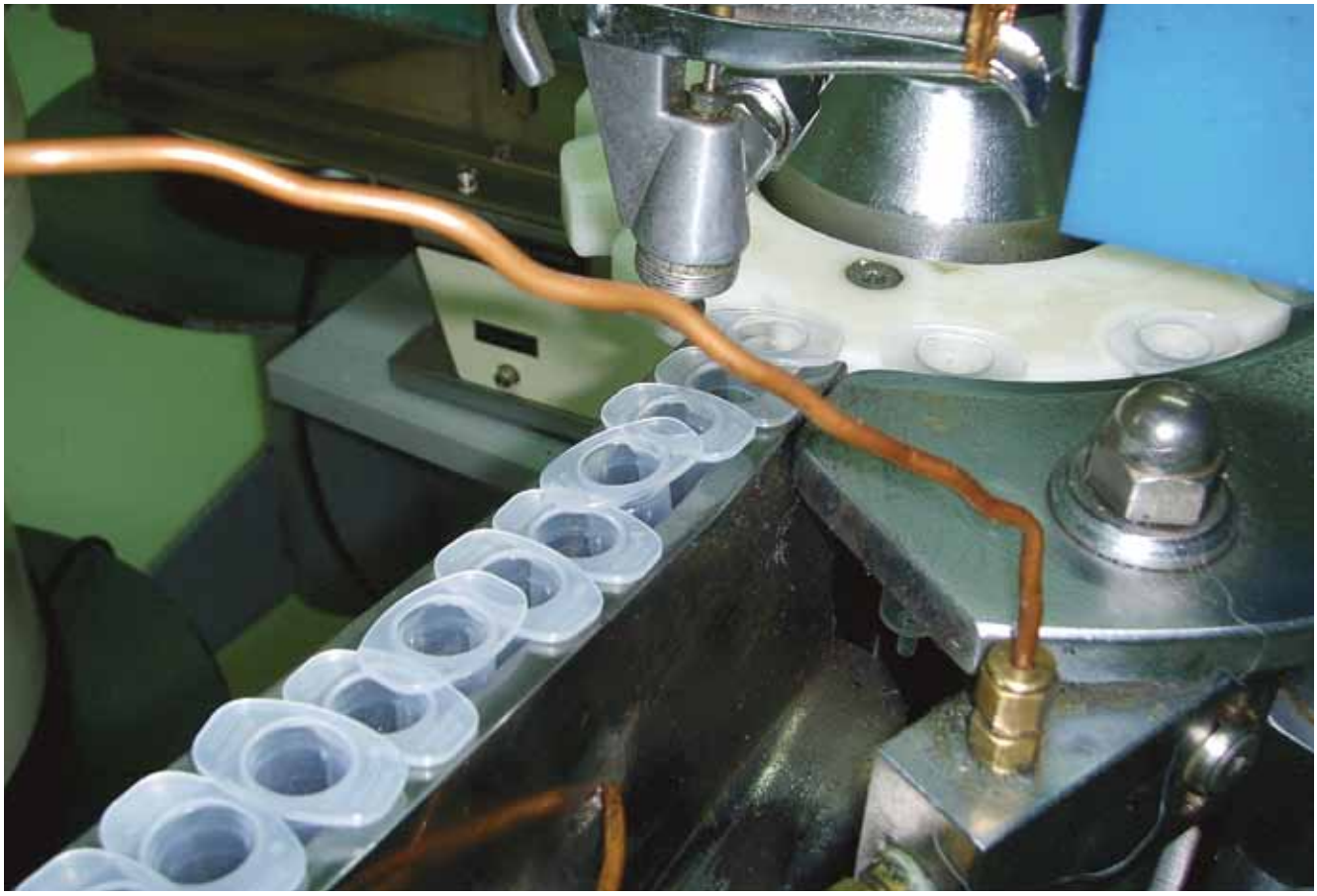
Emunio, manufacturers of single-use syringes for developing countries, have decided to locate smaller production units in Tanzania and Malaysia in order to contribute to development close to their markets. Health and safety at work, environment and anti-corruption are integrated elements of Emunio's business model. Zero-tolerance on corruption can mean loss of orders. Nonetheless, strategic corporate responsibility gives Emunio competitive edge more than anything else.

A new single-use syringe from Emunio contains no hazardous chemicals and requires 35 per cent less plastic than the production of an average syringe. The disposal of the syringes at minimal environmental cost becomes essential in a context that lacks proper waste management systems. Emunio's syringes are self-destructive and cannot be recycled with risk of infection. In addition to the strategic integration of environment in product design Emunio launched a health and safety at work initiative involving all staff members in Tanzania in the identification of potential for improvement. Results included improved ventilation as well as less slippery staircases.

One could ask what has made Emunio decide to manufacture syringes in Africa instead of sourcing cheap single-use syringes from China? CEO and founder of Emunio Tina Nørgård explains: "We have decided to produce locally to contribute to local development and to be close to our market. This decision is in line with the purpose of our product to prevent HIV infection and promote better health."

Emunio's focus on environmentally sound products and improved health and safety at work are clear strategic initiatives that have resulted in cost savings and competitive advantages. By contrast, Emunio's zero-tolerance on corruption has been less straightforward. Tina Nørgård has a clear stand on the issue: "We always refuse corruption categorically, and I act the role as the woman from Denmark who does not understand a hint. We have lost orders from obvious customers, but I am convinced that it is the only right thing to do in the long run."

"We had been involved in corporate responsibility initiatives for a long time before we decided to join Global Compact. On the other hand, Global Compact has formalised our efforts and helped us focus more, internally as well as in our relations with customers. We are kept on our toes. As Global Compact participants, we are obliged to keep focus and think creatively and strategically when integrating corporate responsibility into our business activities", says Tina Nørgård.



Why Global Compact?

- Keeps us on our toes to have to improve continuously
- Formalises the company's CSR various initiatives
- Helps focus each CSR activity strategically

Emunio focus:

- Environment
- Anti-corruption

Advice from Emunio
Emunio decided to involve staff members at the factory in Tanzania in identifying potential areas for improvement of health and safety at work and were positively surprised by the response. “The lesson we have learnt is that involving the whole organisation is essential”, states Tina Nørgård.

“The process of putting our environment, staff and CSR policies in writing has been most helpful. When you put policies in writing, you have to think just a little more carefully once more. This way new ideas and perspectives appear. My advice would be to decide what is right for your business to do considering the resources at your disposal. Do not block the process by thinking it is going to be too costly for a company of your size. Even limited resources can produce impressive results if commitment is there. Keep a list of what you have already achieved. Sometimes you tend to forget what you are already doing. Have a look at the list from time to time. Chances are that will make you want to do even more”, Tina Nørgård concludes.

We had been involved in corporate responsibility initiatives for a long time before we decided to join Global Compact. On the other hand, Global Compact has formalised our efforts and helped us focus more

Links and tools

This section of the booklet lists organisations and websites offering more background information and tools that you might find useful in deciding how to go about implementing Global Compact principles in your business.

globalcompact.org
Official website of Global Compact, includes a list of participants, inspiration for implementation and practical details on how to join and how to get involved in networking

gcnordic.net
The Danish website for Global Compact, hosted by DI on behalf of the Nordic Global Compact Network

ipdprogramme.um.dk
Programme for Innovative Partnerships for Development (IPD). Website of the Ministry of Foreign Affairs of Denmark with details on IPD support for companies and organisations promoting labour and living standards in developing countries

b2bprogram.dk
Website with details on the Business to Business Programme of the Ministry of Foreign Affairs of Denmark offering support to set up long term partnerships between Danish companies and companies in Danida's programme countries

dieh.dk
Official website of the Danish Ethical Trading Initiative – a membership organisation for stakeholders from companies, professional bodies, trade unions and the public sector

samfundsansvar.dk
Official website of the Danish Centre for CSR under the Danish Commerce and Companies Agency, includes details on the Danish Action Plan for CSR

sa-intl.org
Social Accountability website with details on the CSR management system SA 8000

susbizindia.org
Website of a multi-stakeholder partnership project focusing on CSR and business development in supply chains in India

Global Compact
Small and medium-sized enterprises on their way towards global responsibility

Prepared by:	Danish Federation of SMEs and Verner Kristiansen Kommunikation
Published by:	Ministry of Foreign Affairs of Denmark 2, Asiatisk Plads 1448 Copenhagen K +45 33 92 00 00 www.um.dk
	United Nations Development Programme Nordic Office 3, Midtermolen 2100 Copenhagen Ø +45 35 46 71 54 www.undp.dk
Layout and printing:	Kontrapunkt
Photos:	Scanpix
Edition:	1.000 copies
ISBN:	978-87-7087-172-3 (print version) 978-87-7087-173-0 (electronic version)

The booklet can be ordered and downloaded on www.danidapublikationer.dk

The ten principles of the United Nations Global Compact

Human rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 make sure that they are not complicit in human rights abuses.

Labour standards

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 the elimination of all forms of forced and compulsory labour;

Principle 5 the effective abolition of child labour; and

Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges;

Principle 8 undertake initiatives to promote greater environmental responsibility; and

Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

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