

GREEN NETWORK

COMMUNICATION ON PROGRESS REPORT 2018

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About this report

In this communication on progress, we describe the actions, initiatives and work that we do in the area of corporate responsibility and sustainability. For Green Network however, this is also to describe, what we do as a business. Green Network has since it was founded in 1994 as a public-private partnership worked with sustainability and our goal is to enhance the capacity and practice of companies in the areas of corporate responsibility and sustainability.



This means that what we do in terms of our business partners is creating the most impact. Therefore, this communication on progress describe how we work with our partners to influence, impact and push them in a more sustainable direction in terms of all the issues involved in both the Global Compact as well as the Sustainable Development Goals.

The work with our business partners consists of the partnership, with events and knowledge sharing. In addition to this, we offer more intensive training and capacity building for our partners, as well as Sustainable Business Partner certification that our partners can achieve if they complete the training.

The last elements that we work on is our advisory services as well as development projects which con-

sist of concrete, custom tailored advisory and projects that develop new knowledge and build up capacity for us and our business partners.

This report, therefore, consist of chapters with each of our business areas and how we trough these business areas seek to impact our business partners – and others – to work with the sustainability agenda, the Global Compact and the Sustainable Development Goals.

 <p>UN GLOBAL COMPACT COMMUNICATION ON PROGRESS</p>	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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Statement from the CEO

The need for companies to implement measures to address their sustainability and responsibility is becoming more and more evident. The corporations play a critical role in addressing the need for a more sustainable world and hence, we observe that companies now focus on this agenda more than ever. This development legitimizes Green Network's role as a forum for companies to gain knowledge, share best practice and find the right solutions for their sustainability and responsibility practice to fit the ever-changing conditions.



In this annual Communication on Progress, we describe our actions to continually improve the integration of sustainability and the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders.

Green Network is a leading network and advisory company in the market for CSR and sustainability-oriented managements services in Denmark. We work towards the integration of corporate sustainability and responsibility in our partner companies.

2018 has been a busy year for Green Network. The transition to a privately-owned company has been effective and made it possible to expand our reach and also enabled us to work more strategically in integrating corporate social responsibility and sustainability in our partner companies. We have worked hard to develop and refine the partnership, our training and the advisory services to fit our partners' changing needs.

THE SUSTAINABLE DEVELOPMENT GOALS

It seemed as if everybody was talking about the The Sustainable Development Goals in 2018. The business community especially noticed the opportunities and benefits that the SDG's offer for companies as a common language and a pathway towards sustainability. At Green Network, we welcome the SDG's as a common language and a clear way forward.

The global agenda and the complexity of the issues does, however, pose a challenge, especially when it comes to the small and medium sized enterprises. Therefore, we have started to offer introductions to the SDG's as a permanent activity in our event programme. Furthermore, we have integrated the SDGs in our Sustainable Business Partner-certification and training and in our custom advisory services.



The Sustainable Development Goals are 17 goals agreed upon by the United Nations towards 2030. The Goals are a common language for businesses, the public sector and civil society and covers areas like poverty, climate action, health and responsible production.



The 360 degree prize was in 2018 awarded to Bluetown and Kaffe Bueno at Børsen in Copenhagen.

In addition to the implementation of the SDG's, the revision of the Sustainable Business Partner-certification also included a more explicit integration of the §99a in the Financial Statements Act, which is essential to a growing number of companies since the strengthened legislative requirements came into effect in 2018.

This was also the year that the first companies were re-certified as Sustainable Business Partners, thereby demonstrating their continuing efforts to enhance their capacity to work with sustainability and responsibility.

FOCUS ON THE PARTNERS

Across the business areas, we have worked with implementation of sustainability according to the themes in the Global Compact principles. The partnerships with the companies in the network was in focus in 2018 and the visits to partners brought us closer to them and helped us in establishing strong relations. We offer more events and courses than ever before and with themes ranging from environmental issues to health and safety; many of the Global Compact principles have been addressed in events throughout the year. With more than 200 people attending the events in 2018; the face-to-face activities are still vital in reaching our partners.

Another important aspect of Green Network is the many collaborations and partnerships with other organisations. In 2018 we once again collaborated with The Danish Business Authority, Danish Chamber of Commerce and the Danish Ethical Trading Initiative on the 360 degree award show hosted at Børsen in Copenhagen. The award goes to companies with solutions addressing sustainability, innovation and scalability and the winners were once again companies addressing all of these aspects.

2018 has indeed been a busy year and we welcomed the new year looking forward to pushing the agenda to even more partners and companies as well as celebrating our 25th anniversary as a network.

Yours sincerely,

Susanne Lydholm,
Managing Director/
Owner



A network of partners

Green Network functions as a network for companies wishing to develop their capacity to work with corporate sustainability and responsibility. In 2018 the partnership-model was strengthened with more than 100 visits to partner companies and more than 200 attendees at our networking events and courses. Supporting the overall implementation of the Sustainable Development Goals in our business, the goals play an increasingly larger role in our events and offers.



2018 was a year where Green Network's partnerships with the companies were in focus. With many changes both internally and externally, the need to visit the partners and establish new relations was high and with more than 100 partner visits this was addressed to the full. The partner visits were very successful and taught us about the needs and challenges facing our partners in working with and promoting sustainability, environmental concern, health and safety.

EVENTS

A major part of Green Network's impact on the partner companies is through the events and courses that we host. Over 200 people attended Green Network events in 2018 and it is through these activities that we inspire and call to action on topics and issues that are relevant when considering current corporate sustainability and responsibility tendencies.

We hosted a number of introductory thematic meetings around different topics in relation to the sustainability agenda.

21
EVENTS HOSTED

200+
INDIVIDUALS ATTENDING
EVENTS

This included introductions to the concept of corporate social responsibility (CSR) and also an introduction to the Sustainable Development Goals (SDGs). These introductions were very popular with more than 40 participants between these two events.

A huge part of the activity calendar is the supplementary course in health and safety, in which the attendees receive hands-on knowledge in areas like chemical compliance, safety-measures, psychological working environment and more related to these issues.



6

PARTNER COMPANIES USE CHESS FOR CHEMICAL COMPLIANCE

14

COMPANIES AWARDED WITH DIPLOMAS FOR ENVIROMENTAL OR HEALTH & SAFETY MANAGEMENT SYSTEMS

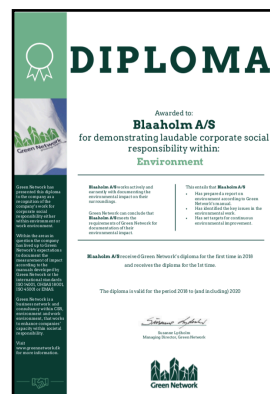
A new collaboration with Arbejdsmiljøbasen ApS enables us also to offer the mandatory Health and Safety Education (in Denmark: AMU) to our partner companies. In these courses Green Network addresses the principles regarding human rights (safety and health and protective equipment especially) and labour rights in a broader sense.

TOOLS

2018 was also the year in which we implemented the chemical compliance solution CHESS at 6 of our partner companies. The CHESS system is offered to our partners as a replacement of the former tool Kemiguiden, which has been a part of the partnership with Green Network for several years and addresses chemical compliance both in terms of the employees' health (Human Rights principles) and in protecting the environment (Enviromental principles).

Another major update that Green Network has worked on in 2018 and which will be introduced in 2019, is a revision of the templates and manuals that partner companies use to produce and publish their Environmental and Health & Safety statements.

As a tool that has been included in the partnership with Green Network almost since the network was founded 25 years ago, the manuals are a core basis for implementing strong management systems in the areas of environment and Health & Safety.



In 2018 alone, 14 companies received diplomas for their work with management systems within Environment or Health & Safety with either Green Networks own templates (7 of these companies) or ISO-accredited certifications (ISO 14001 or 45001). The companies establish a management system with clear targets, action plans and follow up that is linked to the Global Compact principles which relate to environmental concern and Human Rights and Labour Rights.

The SDG's these were directly present in the introduction for the companies, but we also linked a number of the other networking events directly to relevant SDGs. E.g. when we hosted a networking event on circular economy and linked the curriculum to targets 12.5 and 14.1 or the event regarding apprenticeships schemes with targets 8.6 and 4.3. Thereby the companies are exposed to the relevance of the SDG's across a variety of issues and develop a capacity to link the SDGs to topics that they work with.



OBJECTIVES FOR 2019:

Event on Human Rights and one on Anti-corruption

Launch of the updated templates for statements

Event on carbon neutrality

Sustainable Business Partner Certification

A major revision of the Sustainable Business Partner certification was conducted in 2018 and for the first time the concept of continuous re-certification was set in motion. The first six companies are now recertified Sustainable Business Partners (SBP) and have demonstrated their capacity to work strategically with corporate sustainability and responsibility.



Our primary goal in Green Network is the enhancement of partner companies' practice and capacity within CSR and sustainability. CSR training and the Sustainable Business Partner certification is one of the ways in which we have done that continuously.

New global developments, however, influence companies and the requirements to their CSR practice; making it due diligent with a major revision of the CSR training track offered by Green Network and leading to the SBP-certification. These revisions were extensive and included, in addition to classic elements of the course which are based on the Global Compact Principles primarily two new streams:

a) A closer integration and alignment with the Section 99a of the Danish Financial Statements Act (the Danish implementation of the EU Directive on non-financial reporting) and;

b) The integration of the framework for the Sustainable Development Goals along the lines recommended by the SDG Compass.

Hence, participating companies are trained in how to fulfill the legislative requirements; in the implementation of good reporting practice as well as the integration of material SDGs into the business in addition to the traditional Global Compact principles.

6
RE-CERTIFIED
SUSTAINABLE BUSINESS
PARTNERS

12
INDIVIDUALS
CERTIFIED AS SUSTAIN-
ABLE BUSINESS PROFESSIONALS



20
COMPANIES UPHELD THE
SUSTAINABLE BUSINESS
PARTNER CERTI-
FICATION IN 2018

100%
COMPLETION
RATE IN CSR
CAPACITY MEASUREMENT



IMPACT AND STATUS

As of December 2018, 12 individuals have completed the extended capacity measurement following Green Network's CSR training and was certified individually as Sustainable Business Professionals.

At company level, 20 companies were certified Sustainable Business Partners by the end of 2018 and of those, 6 companies have achieved a recertification as Sustainable Business Partners (SBP) for a two-year period.

Alongside the revision of the course material, a new dimension was added to the certification with the establishment of SBP network meetings on specific topics, the first taking place in June 2019.

The network meetings were established to enable further sharing of knowledge and best practice

among the participants, with a more particular focus on the implementation of sustainability and responsibility in their value chains.

We expect much of this new addition that will enable us to further continue the improvement of the capacity and practice of the certified companies.

The CSR training and SBP certification is one of the ways in which Green Network works with companies and partners to strengthen their capacity and practice in corporate sustainability and responsibility. Through the training we can influence the companies and have an impact on their knowledge and integration of sustainability in the companies' core business and thereby also in integrating the Global Compact principles, both directly and indirectly.

OBJECTIVES FOR 2019:

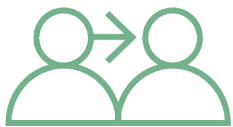
4 re-certified Sustainable Business Partners

24 new Sustainable Business Professionals

8 new Sustainable Business Partners

Green Network Advisory

Whenever our partners and other companies are challenged and need support for a specific task, Green Network offers customized and tailored solutions to address the challenges. In 2018 we have worked with over 15 companies in a variety of advisory service engagement. Five of our projects involved production and implementation of CSR or CSR-related policies. We have helped one company with their overall CSR strategy work and in 2018 five companies either received feedback, were assisted with project management or with in-depth content production related to their CSR reporting.



Since the privatisation of Green Network in 2015, advisory services have played a growing role in the offerings to our partner companies. Whenever we engage in advisory projects, the aim is to offer the best possible solution to our partners in the areas of corporate sustainability. In terms of impact this means that we have a unique opportunity to influence and impact the companies that we work with in a more sustainable direction with their business.

In 2018 we supported companies in various advisory projects directed towards enhancing sustainability capacity. In 2018 the new §99a in the Financial Statements Act came into effect for middle-sized companies (Accounting Class Large C), which led to 5 companies receiving in depth advisory and analysis of their CSR reporting from Green Network in 2018. The services were targeted towards the new legislation, and directed at supporting them in their compliance as well as their development of material reporting in all aspects of the new legislation as well as the Global Compact.

In 2018, we worked closely with two companies in the Danish water supply sector. The first project consisted of the development of a CSR Strategy and in implementing the Sustainable Development Goals in the final strategy and action plans. This company now has clear targets and action plans and the strategy development included a process with establishment of baseline, materiality analysis and concrete actions plans for them to work on. Hence, we touched upon all aspects in the Global Compact

The other company wanted to have a set of policies for topics material to them, which meant that we helped in the development of environmental and health and safety policies as well as responsible business conduct, which as a result helped to cover all the principles of the Global Compact as well. In total we helped 5 companies in the production and implementation of CSR or CSR-related policies and measures to address these policies in 2018 all of them in areas pertaining to the Global Compact.

15
COMPANIES RECEIVED
ADVISORY SERVICES FROM
GREEN NETWORK

5
PROJECTS INVOLVED
CSR REPORTING

7
PROJECTS INVOLVED
PRODUCTION OF POLICIES OR
CODE OF CONDUCTS



DATA MANAGEMENT

In terms of the environment we clearly see a tendency towards the increasing need for data and data management and as a result of this, we introduced a new partnership with CEMAsys, a sustainability management tool to help address the need for data for our partners. We expect much of this partnership in the coming year as we see an interest from our partners in measuring their emissions and potentially in becoming carbon neutral by reducing emissions, sourcing renewable energy and by off-setting the remaining emissions.

BEYOND COMPLIANCE

Our advisory scope does, however, also go beyond the classical CSR-elements mentioned. Two different projects were directed towards a broader perspective. One of them on the external engagement of CSR-initiatives and another on structuring and measuring the impact of donations and voluntary work. These two projects go beyond mere compliance and work towards enhancing the value of CSR initiatives to benefit and push forth both society and the companies practice in a shared value mindset. One in redefining how to work with philanthropy and voluntary work in a strategic manner, and the other in engaging the initiatives and campaign's externally as to increase the reach, inspire others to follow and thereby maximising the impact.

The means that we have helped companies not only in constructing and implementing strategies, policies and actions in relation to all of the different elements in the Global Compact, but also in taking CSR and the principles even further to benefit the companies and society. In the coming year, these tendencies will be even more apparent as a natural consequence of the growing focus on the Sustainable Development Goals.

Our advisory services also include the production and implementation of Code of Conduct both for suppliers and for employees. In 2018 we were involved in an extensive process with the aim of producing and structuring the implementation of an employee Code of Conduct for a large company in Denmark. In this type of projects, we work to implement Global Compact principles in concrete codes of behaviour and actions, where we include the employees in the process as to create the most commitment and impact as possible.

In another project we made a Supplier Code of Conduct for a smaller company, structured around the Global Compact principles and underlying themes as well as working closely on the governance setup of the company's responsible supply chain management. Thereby implementing Global Compact principles not only in the specific company but reaching more than hundred suppliers around the world with the concrete demands in the Code of Conduct, built directly upon the Global Compact.

OBJECTIVES FOR 2019:

Implement the collaboration with CEMAsys fully and communicate it

5 companies integrating data management

3 new companies assisted in CSR reporting

Measurement of capacity

In the implementation of the Global Compact principles in our own business we have used our own measure platform to measure our capacity across the topics of the global compact. This way we measure how well we ourselves have integrated the principles and topics in relation to our services for our partners. The measurement is presented in the Measure scoreboard.



In the process of implementing the Global Compact principles in our own operations we have integrated them in our *measure* platform.

The measure platform can measure CSR and Sustainability capacity in individuals and organisations and the current version is based on the Global Compact principles and sub-topics and is therefore a valuable tool in measuring the implementation of the Global Compact in the organisation.

The scoreboard works with 4 stages of implementation process. Each displaying different levels of implementation of the Global Compact topics and includes both a compliance and an opportunity perspective.

measure®

CSR CAPACITY:

- 1 Is the ability to comply with customer demands, legislation etc.
- 2 Is the ability to increase the business benefit of the corporations CSR engagement
- 3 Reflects the ability to integrate CSR broadly in the corporations

DUE DILIGENCE STAGES

IDENTIFY

- 1 Consultation of stakeholders
- 2 Research and other investigative activities
- 3 Assessment or measurement of impact

EXECUTE

- 1 Communication and capacity building
- 2 Selection and evaluation of business partners
- 3 Sustainability-oriented collaboration with business partners and other parties

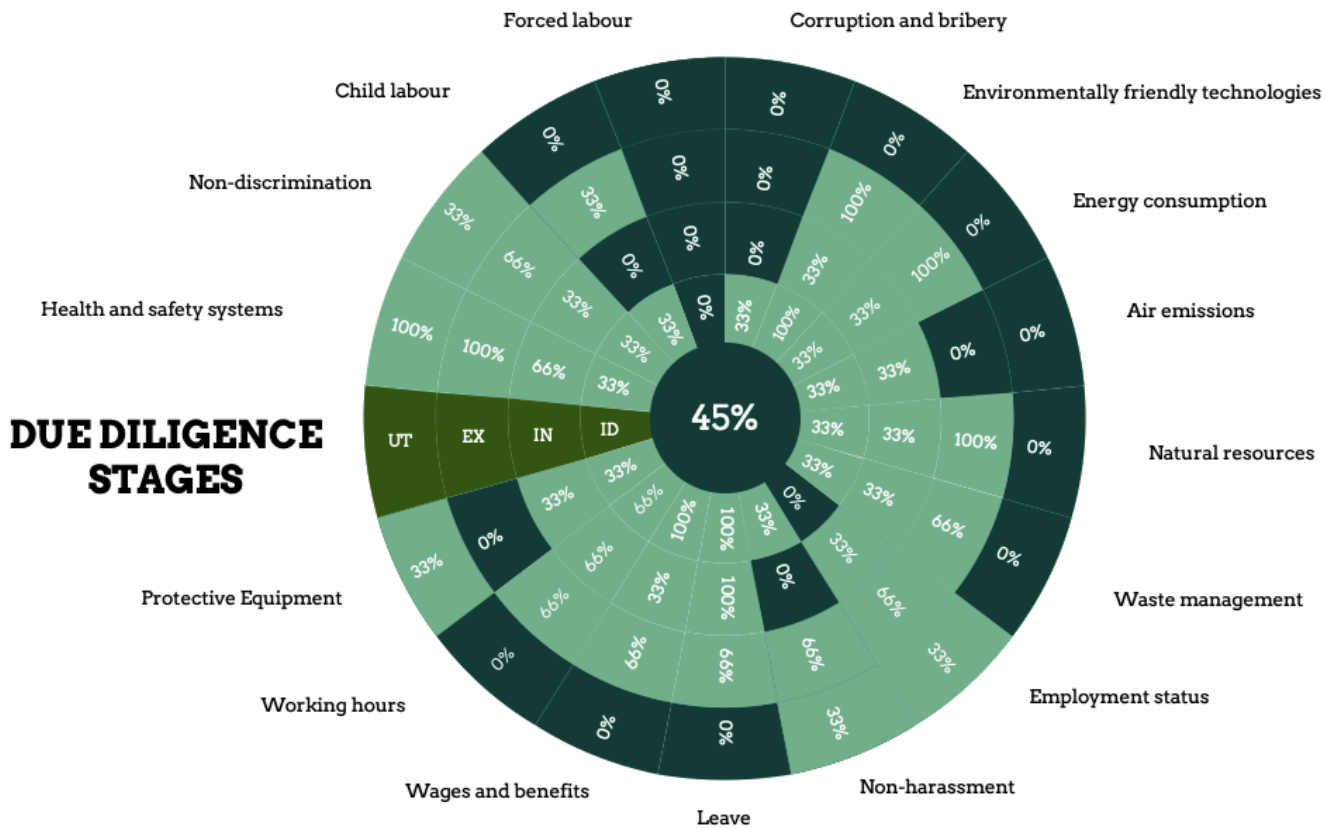


INTEGRATE

- 1 Risk and opportunity analysis
- 2 Internal coordination and communication
- 3 Development of strategies, policies guidelines etc.

UTILIZE

- 1 Development or innovation of sustainable products, services or processes
- 2 Compliance with stakeholder pressure, sustainability standards and legislation
- 3 Marketing and communication efforts towards stakeholders



GREEN NETWORKS PERFORMANCE

The measure scoreboard displays Green Networks overall performance in each of the material sub-topics in the Global Compact as well as one collective score across all the topics.

As shown the overall score of Green Network were 45%, but the individual scores vary for each of the different subtopics. Health & Safety issues, as well as environmental issues are well represented with implementation levels reaching the execute stage. Forced labour and anti-corruption is some of the areas where the performance is lower in the implementation of actions and initiatives in these areas. Within labour rights in general the performance varies and the same tendencies can be observed for human rights. These scores indicate the need for actions within the areas of human rights and anti-corruption, which is addressed in the goals for the coming year.

MEASUREMENT OF OUTCOMES IN GREEN NETWORK'S VALUE CHAIN

Not only has Green Network integrated the use of the measure platform in our Sustainable Business Partner certification, where it serves to validate that the certified partner companies have reached a desired level of CSR capacity.

Green Network also offers the partner companies the possibility to use the measure platform to measure how their suppliers comply with e.g. their Code of Conduct. In 2018, around 100 suppliers to partner companies in Green Network were measured using the measure platform.

These measurements are based on the Global Compact principles and hence, the partner companies utilizing this service can document how their suppliers comply with their Code of Conduct and the Global Compact principles.



Green Network

CSR Advisory and Competencies Center
Roms Hule 8, 3. sal,
DK 7100 Vejle
Direct: (+45) 70 25 40 70
www.greennetwork.dk