

Abstract Buhmann paper for session 2 SC Conference Aug 2011

The Danish CSR Reporting Requirement: Employing national company law to deal with trans-boundary sustainability challenges.

With effect from 2009, an amendment to the Danish Financial Statements Act and related provisions for institutional investors etc. has introduced mandatory Corporate Social Responsibility (CSR) reporting for large Danish private and state-owned companies, institutional investors, etc. The paper presents the background for the reporting provision and its main points, and discusses the government's usage of company law as a modality to deal with global concerns of a trans-boundary character.

The reporting requirement provides that CSR is understood as the voluntary integration in companies policies and practices of human rights, social issues, environment, climate and anti-corruption. The reporting requirement was preceded by a governmental Action Plan on CSR and accompanied by explanatory comments which indicated that CSR reporting was seen by the government as an option to close regulatory and governance gaps. The reporting provision established an option for reporting organisation to report through submission of a Communication of Progress (CoP) Report under the United Nations Global Compact and/or the Principles for Responsible Investment (PRI). The paper will discuss the usage of this link to global CSR instruments as measures to provide substantive contents to the CSR reporting. Further, it will discuss the usage of the link to the Global Compact and PRI to induce companies' integration of global concerns, such as climate and environmental sustainability, into reporting and by desired implication, on management decisions in reporting companies. Based on reporting tendencies so far, the presentation will draw some preliminary conclusions on the effectiveness of the reporting requirement as a modality to drive change within companies.

Submitted by

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