

December 16, 2008
Case

About the Danish law: Report on social responsibility for large businesses

Tuesday the 16th of December the Danish parliament adopted a bill making it mandatory for the 1100 largest Danish companies, investors and state owned companies will have to include information on corporate social responsibility (CSR) in their annual financial reports.

The information shall include:

- information on the companies' policies for CSR or socially responsible investments (SRI)
- information on how such policies are implemented in practice and
- information on what results have been obtained so far and managements expectations for the future with regard to CSR/SRI.

CSR/SRI is still voluntary, but if a company has no policy on this they must state information to that effect explicitly.

Members of the UN Global Compact (GC) or UN Principles for responsible investment (PRI) do not have to give this information, but can refer in their annual reports to their Communication on Progress - provided they fulfil their obligation towards GC/PRI in this respect. So with this particular provision we give an incentive to Danish companies and investors - both to join GC/PRI and also to fulfil the obligation to communicate progress.

Companies can choose to give the information in the annual report itself, in an addendum to the annual report or on the company's website. If the information is not given in the annual report itself, the report has to say where you can find the information (e.g. on the company's website).

Regardless how companies choose to give the information an auditor must verify that the information on CSR/SRI is in accordance with the financial information given in the annual report.

The new reporting requirement will take effect from 2010. More specific guidelines on how to report the required information will be issued.

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