

## *Corporate Responsibility (CR)*

- 1) The approach of the Norwegian government**
- 2) Business challenges: Some NHO views and experiences**

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# Report No. 10 to the Storting

(2008-2009)

## Corporate Social Responsibility in a Global Economy

"It is a  
utopian  
notion that poverty  
can be overcome without  
the active engagement of business"  
— Kofi Annan



NORWEGIAN MINISTRY  
OF FOREIGN AFFAIRS



## **Why a White paper on CSR?**

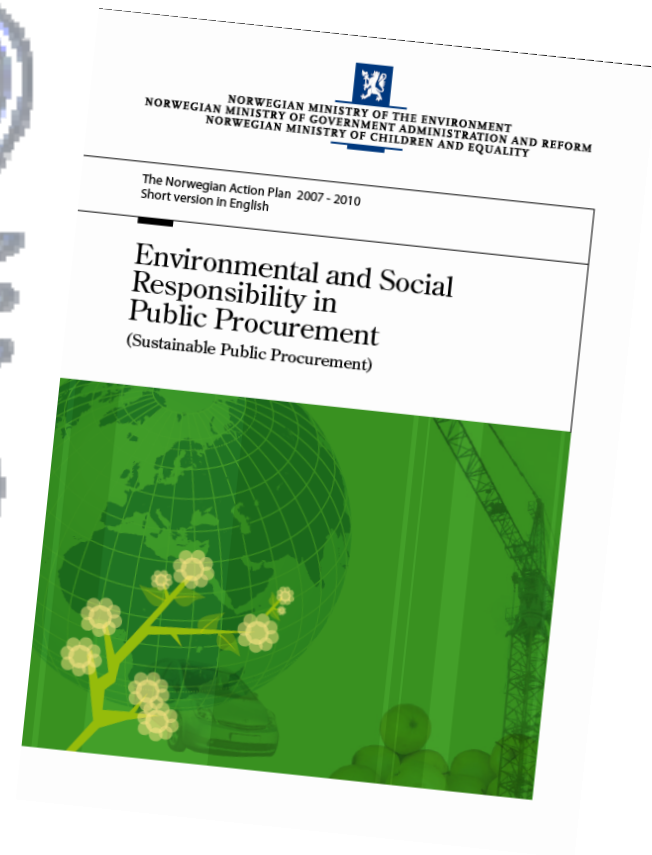
Increase engagement and knowledge

Formulate expectations towards Norwegian companies

Clarify roles and responsibilities

Highlight challenges and dilemmas in developing countries





## Greater coherence in government role

Legislation - regulations

International cooperation

Financial support

Ownership, investments, procurement

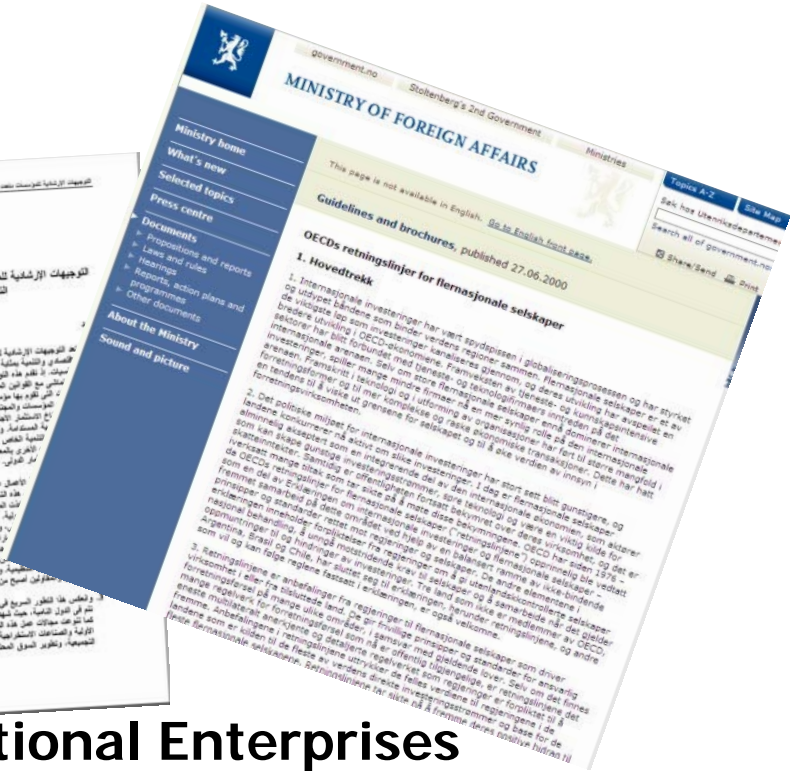




## UN Global Compact

Ten principles – annual reporting

Strengthening impact and membership



# OECD guidelines for Multinational Enterprises (MNEs)

- Government recommendations to MNEs
- Increase non-OECD government support
- Revision of the guidelines



## What is new?

First comprehensive CSR policy by a Norwegian government – government role defined

Expresses clear expectations of companies – guidance and clarity

Proposes amendments to the Accounting Act regarding CSR guidelines and implementation

Measures for increased guidance and advice to companies

Initiates process for strengthening the national contact point for OECD MNE guidelines.

## St.meld. nr. 10

(2008–2009)

Næringslivets samfunnsansvar  
i en global økonomi



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# NHO in a nutshell

- Norway's major business and employers organisation. 20.000 companies in most sectors
- Advice/service to members; political lobbying; collective bargaining, international cooperation

CR high on our agenda since 1995



# One way to look at CR

**“The business of business is business” (Milton Friedman)**

- The company creates employment, pays taxes and generates wealth. The employees become taxpayers and consumers. You contribute to society by running a profitable business, large or small.

**CR is about creating economic activity and making profits**



# A different way to look at CR

Profits are crucial – but they must be made in a sustainable, transparent and accountable way

- Your operations must be based on recognised principles for decent business practices

CR is about how you make your profits in the first place

# Some facts about world development

- By 2030: 2 billion more middle class consumers
- By 2040: 9 billion people on the planet
- By 2050: Life expectancy increase 10-30%
- 75% of earth's population will live in cities

Means serious threats to eco systems. More people, more cars, more need of energy. More sewage, more pollution, less water, less food(?). Climate change.

*In this situation: Is business as usual really an option?*

# Will politicians solve the problems?

**I doubt it! At least not without the contribution of business**

**The solution lies with companies all over the world.**

**Business and individual companies hold the key to our common future – if they can deliver**

- Innovation, technology and sustainable business practices
- Transparency and accountability in business operations
- Partnerships within business sectors as well as with governments and NGOs/civil society
- Trust; built on long term strategies rather than “next quarter tyranny”

**There are huge business opportunities out there!**

# Is philanthropy the answer?

Philanthropy means sharing part of your profits with society, supporting local community activities. Fine; please continue!

CR goes deeper: Means running your entire business in a sustainable, decent way. Your profits are rooted in sustainable CR principles

Both are needed – but only CR brings long term solutions..



# So what is expected of a “CR company”?

1. Compliance with legal requirements
2. Going beyond legal compliance: Integrating principles of decent and sustainable business behaviour into daily operations
3. Making those elements an integral part of your business strategies. CR is part of core business, at home and abroad
4. Demanding similar standards in your supply chain

Make your business a force for good, not only avoid being bad

# What principles of decency?

Human rights

Labour standards; re. the ILO's Decent Work Agenda

Environment and climate

Anti-corruption

And then: Demanding same approach in your supply chain.

A challenge...



# Difficult? Where to find assistance

- Your national employers organisation
- UN Global Compact
  - Network of 5000 companies + other stakeholders, based on ten CR principles  
[www.unglobalcompact.org](http://www.unglobalcompact.org)
- OECD Guidelines for Multinational Enterprises
  - Comprehensive guide to decent corporate behaviour for companies in 40 countries  
[http://www.oecd.org/pages/0,3417,en\\_36734052\\_36761800\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_36734052_36761800_1_1_1_1_1,00.html)



# Role of governments

Business can only fulfil its role if Governments play theirs.  
It all starts with Good Governance

- Stable political system
- Democratic institutions
- Credible legal framework and independent courts
- Proper law enforcement at all levels, including fight against corruption

On CR: Cooperate with business and promote CR policies that stimulate sustainable business practices and encourage partnerships. Re. the Norwegian approach