



# Reporting on corporate social responsibility

Amendments to section 99 a  
requirements of the Danish Financial  
Statements Act









# Preface

**We are pleased to share with you our publication, in which we present the latest updates to the Danish Financial Statements Act, specifically in regard to the disclosure requirements for CSR reports.**

**Our daily work has enabled us to apprehend in greater detail the challenges that the business community faces in respect of sustainability reporting. By leveraging our expertise in the Danish Financial Statements Act, it is our goal to help companies address their legal responsibilities by clarifying the specific requirements for non-financial reporting under the Danish Financial Statements Act.**

**This publication outlines the updated section 99 a requirements for the purpose of facilitating companies' understanding and easing the reporting process.**

The publication is structured as follows:

- In the Introduction section, we have outlined the mandatory areas of compliance and to which reporting class and year they apply,
- The publication is divided into sections describing the mandatory reporting areas within CSR. Each of the areas includes two types of theoretical examples: practical examples from Danish companies that are already in compliance with the current and new requirements and examples to inspire you in respect of the reporting in each area,
- Appendix 1 includes an overview of the requirements for gender distribution in management (further: section 99 b) and an indication of where the disclosed information should be published,
- Appendix 2 includes a short introduction to reporting frameworks like UNGC, UNPRI and GRI for the development of sustainability and CSR reports,
- As part of the new requirements to the Danish Financial Statements Act, disclosure of payments to authorities (further: section 99 c) was introduced. Appendix 3 includes a description of the specific requirements and an example of how such payments may be disclosed,
- Appendix 4 includes a simplified checklist to help you assess your company's compliance with sections 99 a and b.

Yours sincerely,  
**KPMG P/S**



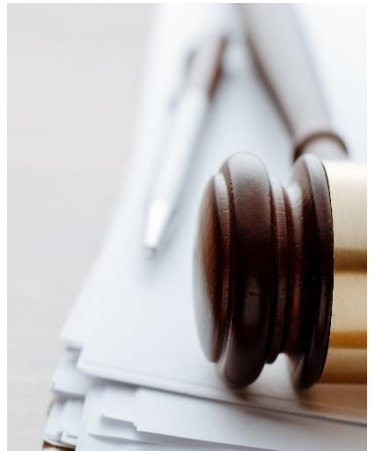
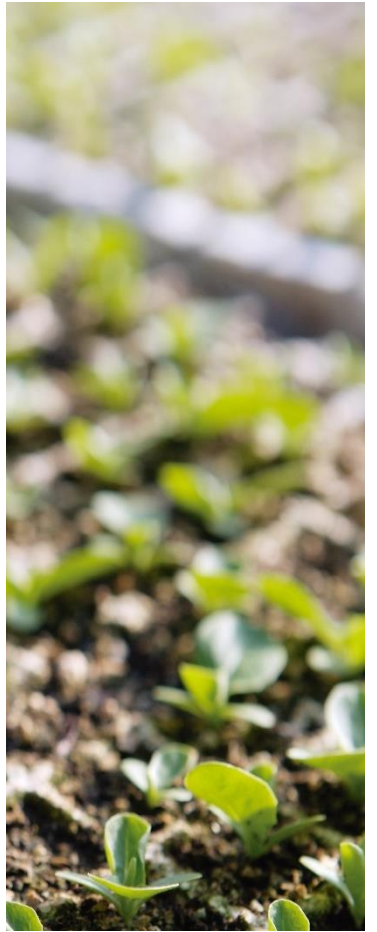
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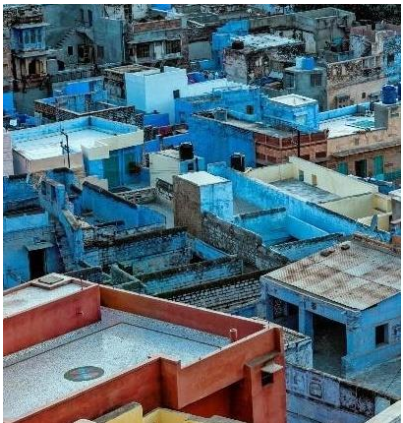






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# Introduction

With the goal to increase transparency and make companies accountable for their environmental and social impacts, in 2008, Denmark became one of the first countries to implement mandatory non-financial reporting requirements for reporting class C large and D companies.

In 2015, Denmark again took lead in implementing the EU Directive 2014/95/EU on Non-Financial Information Disclosure, which enforced stricter requirements, as part of section 99 a.

With the new requirements, companies will have to demonstrate deeper commitment and strategic integration of sustainability in their corporate structures, being accountable for a greater list of reporting responsibilities.

According to the transitional provisions, the new requirements are implemented as follows:

- Listed companies with 500+ employees are subject to the new requirements as from financial years beginning on or after 1 January 2016.
- Class C large and D with less than 500 employees are subject to the new rules as from financial years beginning on or after 1 January 2018.

For each area, the following disclosures should be made. The three elements (policies, actions and results) have not been amended.

## AREA

### Policies

A company is responsible for disclosing all policies related to its corporate social responsibility work

This includes internal policies, commitments to standards, strategies and targets

### Actions

A company is responsible for disclosing how each aspect of the policy is put into practice

This includes procedures, systems and specific projects that have taken place in the reporting period

### Results

A company is responsible for disclosing the results achieved because of the policy and corresponding actions

This usually includes concrete data that allow the reader and stakeholders to evaluate the development in the company's performance

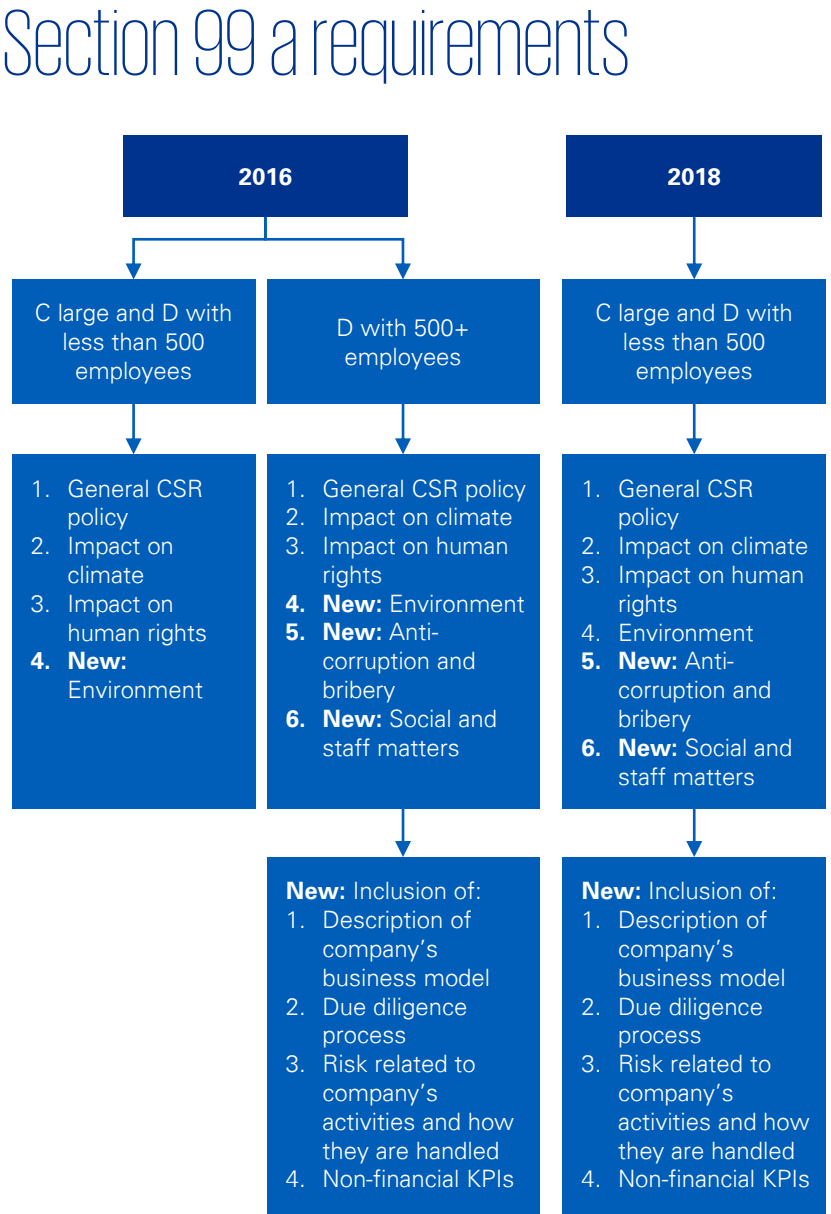






If a company has no policy in some of the mandatory areas, this should be mentioned for each of the areas, where such policies are lacking. From 2016, reporting class D companies with 500+ employees should not only mention this, **but also explain the lack of policies**. This will also be applicable for reporting class C large and D companies with less than 500 employees as from 2018.

The below figure illustrates the current and new mandatory CSR requirements under section 99 a for the different reporting classes:



# CSR requirements (section 99 a)

As already mentioned, the **transitional provisions** give companies an opportunity to implement the requirements into two stages. In 2016, approx. 50 listed companies have already started reporting under the new requirements, which will be enforced for the rest of companies in reporting class C large and D from 2018.

Under the updated section 99 a, companies should disclose non-financial information **in three additional mandatory areas** compared to the three mandatory areas already defined in 2008:

- General CSR policy,
- **New:** Impacts on environment,
- **New:** Anti-corruption and bribery,
- **New:** Social and staff matters,

- Impact on climate,
- Impact on human rights.

Moreover, the updated CSR requirements entail more supplementary obligations to be included in the report:

- Business model description,
- Due diligence practices for each mandatory area,
- Risk related to each mandatory area,
- Non-financial KPIs.

The following presents a detailed overview of each of the mandatory areas, including the supplementary obligations described above. In the beginning of each section, the effective date for the affected reporting classes is outlined.









# 01

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Current:  
General  
CSR  
policies







## 2008: Reporting class C large and D companies

General CSR policies are usually defined as the overall corporate social responsibility strategies and initiatives that a company has implemented that categorise the whole business approach to the topic, where ethical and responsible business conduct is integrated. Such policies could emphasise companies' compliance with internal standards and philanthropic activities and how the governance structure regarding sustainability/CSR is organised. It is not unusual within general CSR policies that companies share commitments, performance and achievements from the reporting year.

In addition, CSR is considered a form of corporate self-regulation integrated in the business model where the rest of the mandatory areas define and shape the specific companies' CSR strategy, depending on industry, the companies' commitments and locations of operations. Thus, it is not expected that this requirement will follow the compulsory disclosure in regard to policies, actions and results as this is covered within each of the mandatory areas.



## Practical example



**Bestseller A/S**  
Reporting class: Store C

In the beginning of 2017, Bestseller published their [sustainability report for 2015/16](#) with focus on five key areas: communities, products, workers, environment & chemicals and supply chain management.

The areas were part of the adjusted sustainability strategy "20by20", demonstrating deeper commitment to sustainability and 20 broad goals to achieve that.

The "20by20" strategy and policies behind are aligned with 4 out of 17 UN Sustainable Development Goals (SDGs), where Bestseller has the leverage and influence to contribute positively.





## Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

### Policies

We conduct our business with strong dedication to ethical and responsible practices. In all our offices, we are aware of the impact we have on the environment and society, both positive and negative. Therefore, every day we try to minimise the negative impact from GHG, waste and resource consumption and enhance the positive impact in terms of employee benefits, social welfare and local communities engagement. All of our offices are a signatory to United Nations Global Compact and have implemented ISO 14001.

### Actions

Our actions comply with our policies and international commitments. Externally, we constantly try to encourage local agriculture and use locally produced ingredients. At the same time, we collaborate with our farmers on implementing best practices for producing their products. Internally, we strive to create the ultimate working environment for our employees and encourage their commitment to our CSR strategies through training and workshops. Their input and motivation are vital to the success of our CSR initiatives. In addition, we reduce our environmental impact by using LED lighting in our offices and warehouses.

### Results

In 2016, we reduced our CO2 emissions by 15% and reduced energy consumption by 34% compared to the 2010 baseline. In 2016, we initiated the project "Sustainable farming" with our largest supplier, XX, and in 2016, we managed to reduce water and energy consumption by more than 48%. We welcomed three dedicated employees in our Sustainability Council whose goal is to meet our environmental commitments and at the same time provide an optimal working environment for all employees.

**In cases where the company does not have a CSR policy, the following statement can be used for inspiration:**

We conduct all our activities with deep respect for all our stakeholders and constant focus on reducing our environmental impact. Currently, no formal social responsibility policy has been implemented at company level.



# 02

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New:  
Impacts on  
environment







## 2016: Reporting class C large and D companies

This new requirement is connected with the already existing Impacts on climate requirement, as both call for actions and solutions to limit the negative impact on the environment. Thus, it might not be considered a new area but rather a supplementary one, which requires broader presentation of environmental impacts compared to the requirements under Impacts on climate, where the focus is mainly on carbon footprinting and greenhouse gas (GHG) reduction.

Within this area, it is expected that companies will present policies, actions and results regarding, for instance, resource, waste, water and energy management solutions to reduce resource depletion, destruction of ecosystems, loss of biodiversity, deforestation as well as pollution (air, water and soil).

Moreover, companies are encouraged to set long-term targets to reduce their environmental impact and even include innovative approaches, such as circular economy. It is important to track performance and progress yearly in order to assess the areas where increased efforts are required and change of strategy is desirable.



## Practical example



### Danfoss A/S

Reporting class: D with  
+500 employees

In 2017, Danfoss published their 2016 [Sustainability report](#). Their Energy & Climate strategies focus on investing in energy-savings and renewable energy projects and on performing due diligence to decrease their environmental impact and manage potential environmental risks.

The company's environmental policy and commitments have guided them in the selection of several Sustainable Development Goals (SDGs) where they could have positive environmental impact through their operations e.g. SDG 6 *Clean water and sanitation*; SDG 7 *Affordable and clean energy* and SDG 13 *Climate change*.



### BWSC A/S

Reporting class: C large

In their latest [annual report](#), BWSC A/S dedicated two sections to its impacts on the environment, describing the company's environmental performance and the environmental performance of its applications: engine-based applications and boiler-based applications.

In addition to the focus on delivering environmentally friendly technology, the company has started measuring its carbon footprint and reporting on Scope 1, 2, and 3 carbon emissions from the company and its applications.

Measuring the carbon footprint sets a new course for the company to continue collecting data and setting targets and plans for further reducing its impact on the environment and climate.





# Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

## Policies

Our values and principles are deeply rooted in reducing the environmental impact from our operations and supply chain. We have created environmental policies that comply with local regulations in each of our operating countries and internationally recognised standards such as ISO14001.

## Actions

As a realisation of our commitments, we have implemented several initiatives under ISO14001, aiming at addressing our impact on the environment. Since 2015, we have successfully switched to 100% renewable energy sources and implemented an integrated environmental management system to track the resource consumption for all our offices and warehouses. We are constantly looking to utilise innovative techniques, and our circular economy approach to the production of all goods is a clear example of how we managed to reduce waste and avoid pollution by collecting and reusing our products from consumers before they reach landfill. We have a target of zero waste by 2030 from all our operational premises.

## Results

In 2016, we have reduced our water consumption by 10% compared to 2015, our CO2 emissions by 30% compared with baseline 2010, and we are on target with our overall ambitions of zero waste from all operational premises.

**In cases where the company does not have a policy for impact on the environment, the following statement can be used for inspiration:**

[Company name] is a responsible company with strong focus on reducing its environmental impact. However, at present, we have not drawn up any formal policy regarding our impacts on the environment. It is our intention that, within the coming year, [Company name] will implement such policy with corresponding actions.

03

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New: Anti-  
corruption  
and bribery







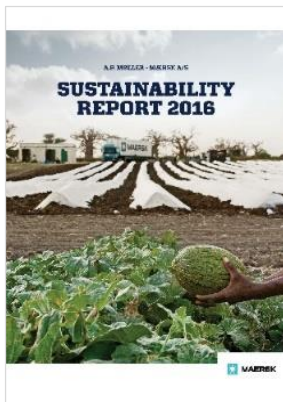
2016: Reporting class D  
companies with 500+  
employees

2018: Reporting class C  
large and D companies  
with less than 500  
employees

Anti-corruption and bribery are familiar topics for companies, often combined under the broader principles of business ethics, where companies should demonstrate commitment to ethical and responsible behaviour. A Code of Conduct and anti-corruption and bribery policies are fundamental rules and standards of integrity, under which employees should act when representing their companies in all business operations.

Within the framework of reporting, companies are expected to disclose their strategies to fight corruption and bribery, not only in the work place, but within all business aspects, supplier relations and third-party agreements. This is performed by implementing robust systems to audit suppliers, train employees and create a governance structure with clearly outlined policies applicable to all levels of the company.

## Practical example



**The Mærsk Group A/S**  
Reporting class: D with  
500+ employees

[The Mærsk Group A/S Sustainability report 2016](#) is an example of how a company can address corruption and bribery behaviour within its operations and supply chain. By engaging with different stakeholders from private and public sectors, APMM has managed to improve its internal anti-corruption and bribery strategy and systems and influence the whole industry in a positive way.

As part of their latest sustainability report, APMM shares policies, actions and results for addressing corruption, including how APMM compliance teams conduct audits and evaluate business unit facilities and their compliance with the Group's anti-corruption programmes. By disclosing the progress against baseline 2014, the reader can assess the company's performance.

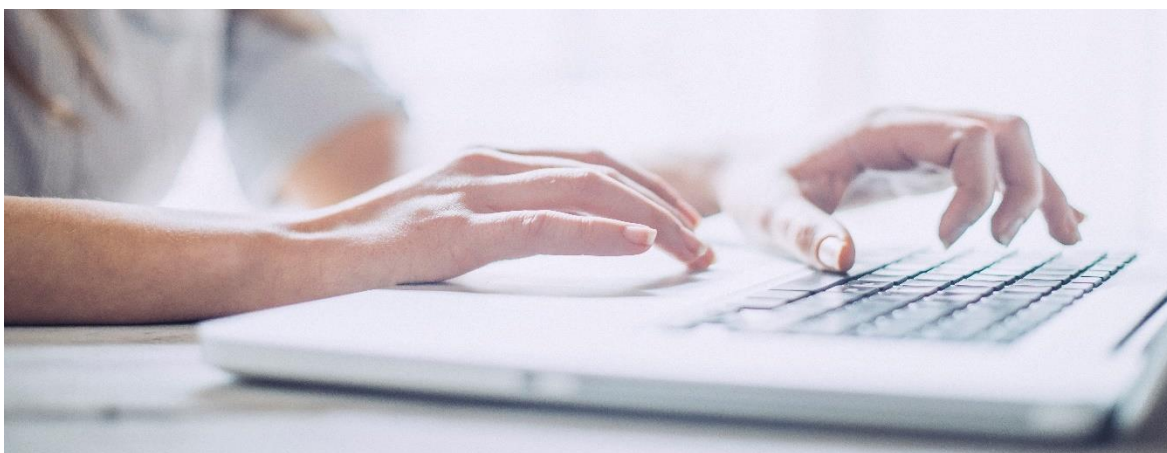


**Coloplast A/S**  
Reporting class: D with  
500+ employees

[Coloplast's latest COP](#) report detailed the company's specific environmental and social strategies and performance.

With focus on good compliance practices, Coloplast rolled out a new Code of Conduct in the financial year 2015/16 in addition to conducting bribery risk assessment of sales and marketing operations and implementing a due diligence process to monitor all distributors.

Continuous training is enforced, together with a relaunch of its whistle-blower hotline in order to equip employees with the necessary tools to detect and report cases of unethical and corruption behaviour.





## Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

### Policies

We are dedicated to act with integrity and develop our business in a responsible manner. Our Code of Conduct clearly outlines the aspects of our work and the acceptable actions in relation to anti-corruption and bribery from each and every one of our employees, suppliers and third parties.

### Actions

We stand firm on the commitments established in our anti-corruption and bribery policy and Code of Conduct. As an ethical company, we make sure that all our stakeholders study the documents and comply with them. This is achieved by conducting training for employees and suppliers every [third] year. Moreover, all new employees have to read and sign the Code of Conduct as part of their contract and within the first week of their employment undergo training to familiarise themselves with all our policies. In addition, from 2015, we have a whistle-blower system in place. Furthermore, we have set up a robust process for assessing our suppliers' and third parties' performance and compliance with the Code of Conduct, including screening procedures, audits, corrective actions and measures.

### Results

For 2016, no records of violation to the company's Code of Conduct were recorded, and all our 1500 employees underwent a training, of whom 23 were new employees. In 2016, we audited all our 46 suppliers and 13 third party stakeholders, and no indications for breaches of the Code of Conduct were identified.

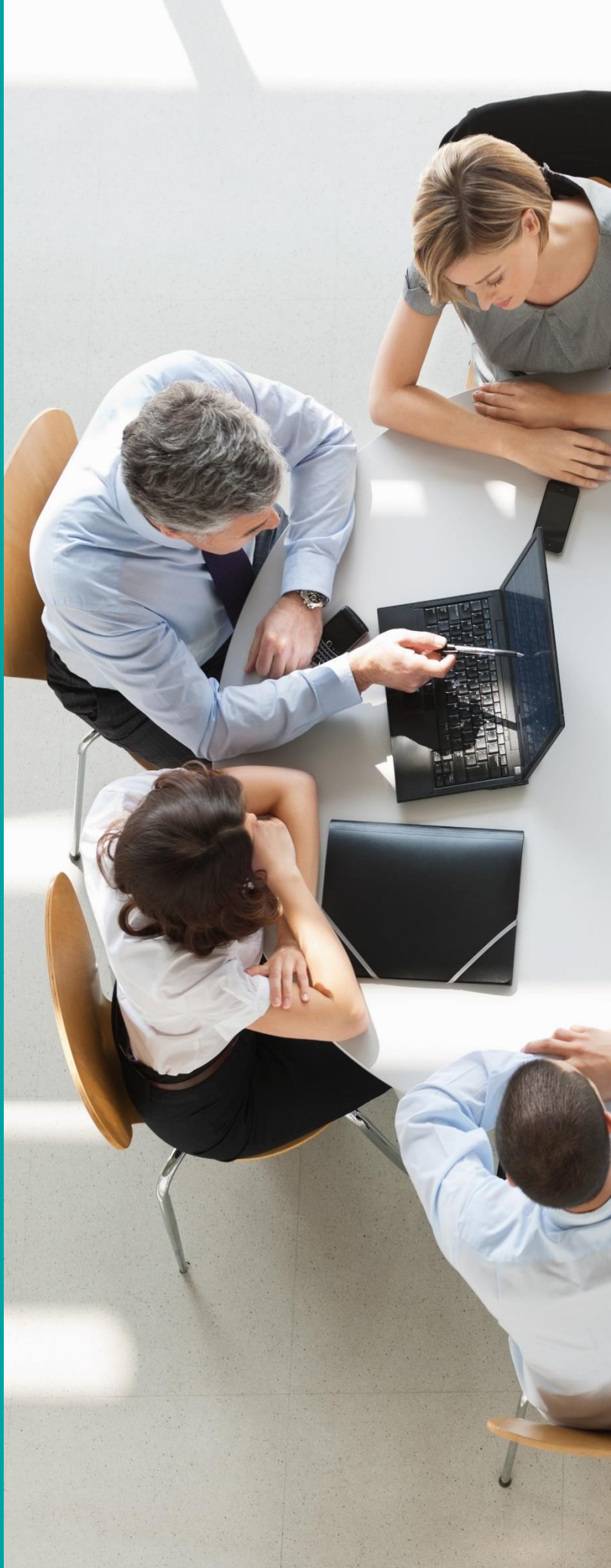
**In cases where the company does not have a policy for anticorruption and bribery, the following statement can be used for inspiration:**

Bribery and corruption are taken very seriously at [company name], and such behaviour is not permitted. We have not drawn up any formal policy within anti-corruption and bribery. By 201#, we are planning to formalise our commitments and draw up a Code of Conduct.

# 04

---

New: Social  
and staff  
matters







2016: Reporting class D  
companies with 500+  
employees

2018: Reporting class C large  
and D companies with less  
than 500 employees

This category is closely connected with Impacts on human rights as both of them include disclosure of matters relating to gender distribution, discrimination and workers' rights. However, whereas Impacts on human rights means taking a broader approach, social and staff matters focus solely on the rights and obligations between employee and employer, including protection and development of local communities where companies have operations.

Therefore, companies are required to disclose specific strategies and procedures in place in order to promote a friendly work environment where employees feel motivated to work and contribute to complying with companies' values. Some of the actions may include health and safety measures relating to the working environment, training to further develop employees' professional competences and impartial and uniform criteria within hiring and promotion processes, disregarding gender, race and religion. For communities, different types of philanthropic initiatives can be organised.

An important aspect to be taken into account is the cultural differences where companies may make extra efforts to ensure equality and appreciation of diversity for each of their operating entities. In third-world countries, local regulations might have failed to secure adequate protection of employees and communities; thus, it is companies' responsibility to make sure that they are treated fairly and that their rights are not violated.

## Practical example



### **LEGO Group A/S**

Reporting class: C large

[LEGO Group](#) cares about its employees, and the company's social and staff matters policy comprises areas such as satisfying workplace, safety and leadership.

In LEGO's latest sustainability report, the company communicated its efforts and strategy to ensure a motivating and satisfying workplace by keeping focus on the mental and physical state of the employees, training sessions to increase safety awareness. Further, focus is on employees' performance and not their gender. In addition, engaging with communities is another pillar of their social and staff matters where the programmes for supporting local communities are driven by employees' volunteer activities.



### **egetæpper A/S**

Reporting class: D with  
500+ employees

Since 2006, [egetæpper](#) has been certified under OHSAS 18001 as part of its constant focus on improving employees' working environment and safety.

By working with psychologists, the company initiated a satisfaction survey for all employees in order to define the optimal working environment for employees and areas for improvement.

As part of community engagement, since 2011, the company has collected and donated money to the KidsAid Foundation for sick and unprivileged children.





## Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

### Policies

Our employees are the backbone of our company, and their well-being, health and safety in the work place are crucial to our success as a business. By implementing the "Our People" policy, we have laid out the basis for securing a safe working environment that ensures that our employees feel motivated and productive. We continue our goal of supporting our community and encourage sustainable growth.

### Actions

One of our key initiatives is to conduct the annual people survey where employees are encouraged to share their opinions and suggest improvements for the working environment. In addition, we have dedicated a special area for smoking as smoking is forbidden in all office areas. We perform annual health and safety training, and once a month, each department organises a team-building event sponsored by the company.

### Results

For 2016, we conducted first aid training for our employees and designed chill out rooms in all our offices as part of a people survey recommendation. As part of the sponsored team-building events, our employees organised sports tournaments and pinball competitions. In addition, within our goal to support unprivileged individuals, we organise clothes and toys donating campaigns every year.

**In cases where the company does not have a policy for social and staff matters, the following statement can be used for inspiration:**

Every year, we organise different activities in order to show appreciation for our employees' efforts and their dedication to [company name]. Currently, we have not implemented any formal policies concerning social and staff matters.

# 05

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Current:  
Impact on  
climate







## 2008: Reporting class C large and D companies

Under this section, companies are expected to disclose how they address climate impacts from their operations and supply chain. In addition, a comprehensive overview of actions reducing greenhouse gases and measurable targets for long-term positive impact are among the aspects that stakeholders expect to see in companies' CSR, sustainability or annual reports.

## Practical example



For Unilever Danmark A/S, the impacts on climate is part of the overall strategic area Reducing environmental impact. The company communicates its 2030 target with the objective to reduce its environmental impact from production and use of their products.

In the [Group's sustainable living plan strategy](#), Unilever Danmark A/S commits to limit its CO<sub>2</sub> emissions, be carbon positive and 100% renewable energy sourced by 2030. The ambitious targets encompasses reduction of GHG from procurement, production and innovation to address climate impacts within supply chains. This is disclosed in the [Group's Sustainable Living Plan report](#).

**Unilever Danmark A/S**  
Reporting class: C large





## Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

### Policies

Climate change is man-made, and it is no longer considered a myth but a fact and, more specifically, a result of the negative way we produce all our goods and services. As a consumer products industry, we have a share in the creation of greenhouse gases (GHGs) directly and indirectly through our supply chain. We constantly strive to adapt and improve our production processes and manufacture affordable products with limited environmental impact. We report and disclose Scope 1, 2 and 3 emissions in accordance with the GHG Protocol.

### Actions

Climate change is one of the most serious global challenges to humanity, which requires immediate actions from different levels of society worldwide, towards preserving the Earth and its nature that is vital to our survival. Thus, in order to reduce our impact on climate, we annually track and report on our carbon footprint within Scope 1, 2 and 3. We have set a target to reduce our CO<sub>2</sub> emissions by 40% by 2025. Consequently, by 2025, all our energy sources will be renewable.

### Results

In 2016, our CO<sub>2</sub> emissions decreased by 20%, which means that we are halfway there in achieving our 2025 target, and this also indicates that we could achieve even greater reduction by 2025. Approx. 80% of our energy comes from solar power, and the rest is from natural gas. This means that we are also on track to achieve our 2025 renewable energy target.

### **In cases where the company does not have a policy for impact on climate, the following statement can be used for inspiration:**

Climate change is one of the most serious challenges facing humanity. We consider ourselves responsible for contributing to fighting the negative impacts on the climate and constantly work towards optimising our operations. Even though no formal policy has been drawn up in regard to impact on climate, it is a goal for the next financial year to comprehensively outline our efforts in this area and draw up a policy, including action points.

# 06

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Current:  
Impact on  
human  
rights







## 2008: Reporting class C large and D companies

In this area, companies are obligated to assess and report on their policies, actions and results in respect of managing their impacts on human rights. Human rights are the rights as defined in the Universal Declaration on Human Rights. In order for companies to be able to evaluate the strategic relevance of human rights to their business, United Nations created the "United Nations Guiding Principles on Business and Human Rights" in 2011. The Principles provide guidance to companies on how to prevent and address human rights risks throughout companies' operations, and this should be reflected in their annual/CSR/sustainability reports.

In this area, companies should demonstrate how they have assessed the most relevant human rights for their operations and supply chains. Usually, this is done by performing a human rights risk assessment in each country, where a company has operations, as it is a requirement to disclose information on the most relevant impacts on human rights and the policies implemented by the company to manage them. On the other hand, the actions and results are key and show how the identified challenges within the area are addressed strategically in all operations, in order to avoid future human rights violations.

## Practical example



### **Nestle Danmark A/S** Reporting class: C large

As part of the [Nestle Group](#), Nestle Danmark A/S follows the Group's guidelines and sustainability strategy. Thus, in regard to impacts on human rights, the Nestle Group has laid down clear expectations of its subsidiaries and a specific policy aligned with the UN Guiding Principles on Business and Human Rights.

By implementing business standards and codes, the Nestle Group seeks to eliminate human rights violations within its operations and supply chain.





# Example for inspiration

The following texts demonstrate how policies, actions and results can be structured in companies' reports.

## Policies

We are an international company with more than [#] employees from diverse cultures and religions. As such, we need to make sure that all employees are treated equal without being exposed to religious, cultural and/or gender discrimination and harassment. This is the cornerstone of our human rights policy. In addition, all our suppliers must abide by our policy and undergo screening procedures to make sure that no human rights violations will occur in our supply chain.

## Actions

As part of our commitment to United Nations Guiding Principles on Business and Human Rights, we have performed a human rights risk assessment in order to define the most salient human rights risk for our business and supply chain. Diversity, health and safety, i.e. work-related injury and illness, discrimination and harassment came out as the most critical issues with high risk to our business and employees. We try to achieve work life balance and adequate working conditions for each and every one of our employees through constant focus on working environment and employees' needs.

## Results

In 2016, we trained 26 new employees in our human rights policy and performed the annual screening of our suppliers as to their performance within human rights and compliance with our policy. No violations were recorded.

**In cases where the company does not have a policy for impact on human rights, the following statement can be used for inspiration:**

We value diversity and provide equal opportunities to both genders in recruitment and promotion processes. We do not tolerate harassment or discrimination and have clearly communicated this to our employees. No formal policy has been drawn up in regard to impact on human rights.

# 07

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New:  
Business  
model  
description







2016: Reporting class D companies with 500+ employees

2018: Reporting class C large and D companies with less than 500 employees

As part of the new requirements, companies are required to present a business model that shows how their core business activities are implemented within their sustainability strategy. It is expected that companies disclose how sustainability is addressed in their main operations and how environmental and social negative impacts are reduced and at the same time how the companies encourage ethical and responsible business conduct.

This topic is closely related to the general CSR policy disclosure requirement. Although both topics require companies to demonstrate ethical and responsible behaviour, in the business model, companies are inclined to take a deep dive into their corporate activities and define and report on their interrelation with the sustainability strategy.

Companies can decide how to disclose information in this area, and there is no specific structure that should be followed as in the case of the mandatory areas where policies, actions and results are a must. However, a well-structured business model where sustainability is included in the core corporate strategy is a clear indication of the company's maturity, integration and robustness in respect of sustainability. Therefore, this topic should not be overlooked, but rather be one of the topics that companies pay most attention to, as a successfully developed business model can contribute to the company's understanding of the importance of the rest of the mandatory areas, their impacts on business activities and disclosure in the CSR/sustainability report.

## Practical example

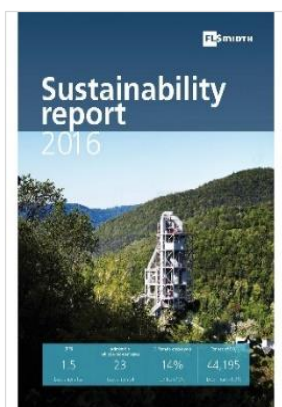


### **Novo Nordisk**

Reporting class: D with  
500+ employees

Sustainability is not a new "buzzword" at [Novo Nordisk](#), and the company has been reporting on the topic for over a decade. Thus, it is no surprise that its corporate strategy clearly outlines the core business capabilities together with its purpose for creating shared value through a triple bottom line business approach. The "Novo Nordisk way" focuses on the triple bottom line and developing initiatives that create positive economic and social development in the communities in which Novo Nordisk operates.

The company manages to successfully describe how its corporate focus areas, such as "Expand leadership in Diabetes" or "Establish presence in Obesity", fit into the company's long-term vision for a sustainable business model.



### **FLSmidth**

Reporting class: D with  
500+ employees

In their [latest sustainability report](#), the engineering company shared how the CSR strategy supports the business strategy by adding a long-term focus on responsibility.

FLSmidth's global business strategy focuses on integrating CSR into the company's business operations. By adhering to local and international laws and standards, the company's CSR strategy is built on minimising its impact on human rights and the environment and ensuring a safe and healthy workplace inspired by business ethics.





## Example for inspiration

### Business model description:

We strive to be a leader in manufacturing and marketing of home care products for treatment and painting in all our countries of operation. Due to the large application of our products in private homes, we have a high focus on sustainability and producing our merchandise with limited impact on the environment and society. Thus, the success of our business is dependent on our sustainability strategy and how well we can address the negative impacts of our day-to-day operations. By measuring the environmental impact of all our products from production to disposal and securing the optimal working environment for our employees, we create long-term benefits in respect of sustainability.

The following section will elaborate on the supplementary requirements of the updated section 99 a of the Danish Financial Statements Act.



# 08

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New: Due  
diligence







2016: Reporting class D  
companies with 500+  
employees

2018: Reporting class C large  
and D companies with less  
than 500 employees

Due diligence is defined as the comprehensive appraisal of a company to ensure that it takes precautionary measures to avoid unwanted risks. It is a step prior to performing a specific action, which can help assess the risk associated with this action. Due diligence is an inseparable part of companies' financial activities, e.g. mergers, acquisitions, in order to avoid undesirable costs.

Within the framework of the updated section 99 a, it is expected that due diligence procedures are described for each action under the mandatory topics. However, **if due diligence processes have not been undertaken, the company is not required to disclose them**, but it is mandatory to report them if they exist. Nonetheless, it is recommendable for companies to evaluate the applicability of due diligence within their sustainability strategy as it can have huge financial and reputational implications.

Even though due diligence is not a mandatory area to be disclosed, many companies proactively perform due diligence in order to limit unforeseen and costly risks related to their operations. At the same time, successfully performing due diligence procedures can help companies strengthen their responsible business practices.

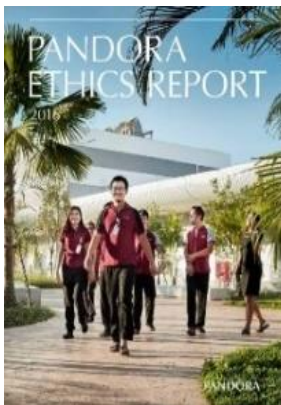
## Practical example



### **DONG Energy**

Reporting class: D with  
500+ employees

[DONG's integrated approach](#) to human rights ensures due diligence by identification, prevention and mitigation of as well as accounting for the company's human rights impacts. A risk analysis is conducted every two years, covering the company's operations and supply chain. DONG has also integrated the most important human rights risks related to its business into the company's sustainability areas.



### **Pandora A/S**

Reporting class: D with  
500+ employees

Through its Responsible Supplier programme, [Pandora](#) assesses potential adverse environmental and social impacts of every new supplier or material before including them in its portfolio.

The programme includes six steps, including the requirement that all suppliers must sign Pandora's Suppliers' Code of Conduct, a detailed risk assessment, third-party audits and selection of preferred suppliers. The company advises on corrective actions through supplier training, and suppliers are required to act on the identified negative impacts as part of the audit check-ups.



## Example for inspiration

The following section will elaborate on the supplementary requirements of the updated section 99 a of the Danish Financial Statements Act.

### Due diligence

Due diligence practices are an integrated part of our industry. From selection of stakeholders, building site, materials, budget, having appropriate due diligence procedures is an important prerequisite to help minimise any risk to our business. As due diligence is implemented into the whole life cycle of our industry, we have prepared different checklists and screening procedures depending on whether we screen potential suppliers, third parties or building sites.

In regard to suppliers, we conduct risk assessments in order to understand the country of origin and its Corruption Perception Index rating, specific sector risks, background assessment of the chosen suppliers and their previous business relationships and performance. Another aspect of our due diligence is performing an assessment based on our environmental, human rights and Code of Conduct policies and categorising the suppliers in low, medium or high category. Medium and high categorised suppliers are a key focus for us where we try to improve their performance and compliance with our policies in cooperation with them.



# 09

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## New: Risks







2016: Reporting class D  
companies with 500+  
employees

2018: Reporting class C large  
and D companies with less  
than 500 employees

Risk assessment and management should be disclosed for each of [the mandatory policy areas](#). Companies should demonstrate a clear understanding of their sustainability activities and associated risks and how these challenges are addressed.

Companies can get inspiration by reading the OECD's Guidelines for Multinational companies, which provide information on risk and risk management mechanisms for companies. The United Nations Guiding Principles on Business and Human Rights can also support companies by outlining the risks related to human rights violation and what could be the company's involvement.

In addition, in the end of 2016, [KPMG published a report](#) aiming to help executives understand and apply current good practices in identifying and managing human rights issues. The report clearly articulates the risks associated with human rights and can help companies understand better how to address, manage and report on these impacts.

## Practical example



### The Task Force

There are different sustainability mega trends that poses risks to companies and investors, e.g. climate change, population growth, urbanisation, etc. Assessing these risks in financial terms and implementing risk management strategies are challenging, as it is usually difficult to assess all the financial implications that water scarcity or demand for energy could have for a company's operations and its value chain.

In the end of 2015, Mark Carney, Chair of the FSB and Governor of the Bank of England, announced the formation of the [Task Force on Climate-related Financial Disclosures](#). [The Task Force](#) engages investors, private and consulting companies to define a list of recommendations that can help financial systems disclose climate-related risks in mainstream (i.e. public), financial filings such as annual reports.

As part of the recommendations, risk management procedures have been outlined in terms of how organisations can identify, assess and manage climate-related financial risks.



### Novozymes

Reporting class: D with  
500+ employees

Novozymes is actively working towards identifying the risks related to all its sustainability areas. For example, in its [latest sustainability report](#), the company disclosed how it approaches labour practices and human rights risks:

- Human rights risk monitoring of investors and customers in order to assess their compliance with UN Guiding Principles,
- Identification of risk of human rights violations in the value chain where the corporate sustainability department carried out the human rights impact assessments from different functional areas within the company.



## Example for inspiration

### Risks

Our sustainability strategy includes two key areas:

- Environmental impact performance – CO2 emissions tracking, waste and resource management
- Social impact performance – human rights, staff matters and community engagement

We face different types of risks for each of the above areas. In regard to disclosure of CO2 emissions, applying the correct techniques for measuring our CO2 emissions and understanding the different reporting standards entail certain risks. The risks related to waste and resource management relate to compliance with local laws and implementation of internal procedures that can help us reduce our resource consumption.

There may be numerous human rights risks for our company, but the most critical are related to human rights violations in our direct and indirect supply chains. In terms of staff matters, we constantly try to provide the optimal environment for our employees to feel motivated and productive; however, there is a risk that we might lose competent employees to competitors or that employees will not recognise or want to contribute to our sustainability efforts.

Lastly, giving back to the community by increasing society's awareness of data privacy is an important aspect of our work. As a result, we face risks that communities disregard our efforts and lose trust in our capabilities, which may lead to significant financial costs.

In order to successfully address these challenges, we implement different initiatives, depending on the extent, nature and financial implications of the risks to our company. For example, for environmental risks related to compliance, we maintain close dialogue with policy regulators to keep up-to-date on the most recent developments. In addition, we have a dedicated team within our sustainability council responsible for keeping track of the most relevant governmental environmental updates for our business and suggesting adequate initiatives in order to stay compliant.

In regard to social risks from human rights violations, we have implemented due diligence practices for suppliers and third party assessment.

# 10

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New: Non-financial key performance indicators (KPIs)





2016: Reporting class D  
companies with 500+  
employees

2018: Reporting class C large  
and D companies with less  
than 500 employees

Companies should disclose all relevant non-financial KPIs related to their sustainability activities, which are the KPIs used by Management to oversee the company's sustainability performance and evaluate progress against targets. Reporting on non-financial KPIs aims to increase transparency on corporate reporting in order for stakeholders to be able to adequately assess and measure companies' development, performance or position among competitors and in terms of industry.

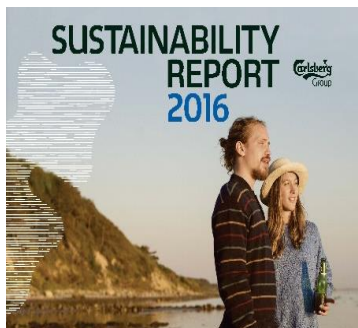
It is up to the company to decide how it would like to present this information. It is common to choose different reporting standards as the Global Reporting Initiative (GRI), which defines several clear categories, under which KPIs could be included for the reporting timeframe:

- Economic – economic performance, market presence data,
- Environmental – materials used, energy, water consumption, emissions, waste data,
- Social – employment, health and safety, equal remuneration, training and education data.

The information on KPIs should be balanced within the report, provide a comprehensive analysis and enough details in order for stakeholders to understand the company's performance.



## Practical example



**Carlsberg Group A/S**  
Reporting class: D with  
500+ employees

Carlsberg has chosen to disclose the non-financial KPIs by including information on the selected KPIs in the chapters of [their sustainability report](#) and a data summary table in the end of the report, which is a preferred choice for many companies.

In the data summary table, the reader can find KPIs related to environment, e.g. CO<sub>2</sub> emissions, thermal energy mix and social matters, e.g. health and safety, responsible drinking. The data is disclosed for a 5-year period, and it helps to assess the company's performance based on the year-after-year development and outlined strategies for each of the topics in the report.



**Vestas Wind Systems A/S**  
Reporting class: D with  
500+ employees

Vestas Wind Systems A/S publishes an [annual report](#) combining both financial and sustainability information and data. As part of the latter, the company has chosen an approach to present a selected number of non-financial KPIs, including in the highlights for the Group table.

The data is incorporate under social and environmental key figures where the following categories with specific indicators are disclosed with a baseline 2011:

- Occupational health and safety – incidence and absence,
- Products – CO<sub>2</sub> savings on MW produced and shipped over the useful life,
- Utilisation of resources – renewable energy,
- Employees – percentage of women on the Board, in Management and non-Danes at management levels.

# Example for inspiration

We track our environmental, social and economic performance within defined KPIs, which are presented in the below data summary table:

Environmental data					
KPI/Year	2012	2013	2014	2015	2016
Total thermal energy (GwH)	3,593	3,478	3,450	3,305	3,278
Total CO <sub>2</sub> emissions (kt)	1,021	1,102	987	943	921
Water consumption (milllion m <sup>3</sup> )	23	24	21	19	22
Social data					
Total workforce (FTE)	5,302	5,328	5,380	5,402	5,420
Number of lost-time accidents	34	32	25	19	16
Fatalities	2	0	0	1	0

The table does not present an exhaustive list of all non-financial KPIs. The focus is solely on presenting an example for inspiration without providing an overview of all relevant KPIs for disclosure. The relevant KPIs are highly dependent on the specific industry, countries of operation, the company's sustainability strategy and identified critical material issues and targets.



# 11

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## Appendix





# Appendix 1: Gender distribution requirements (section 99 b)

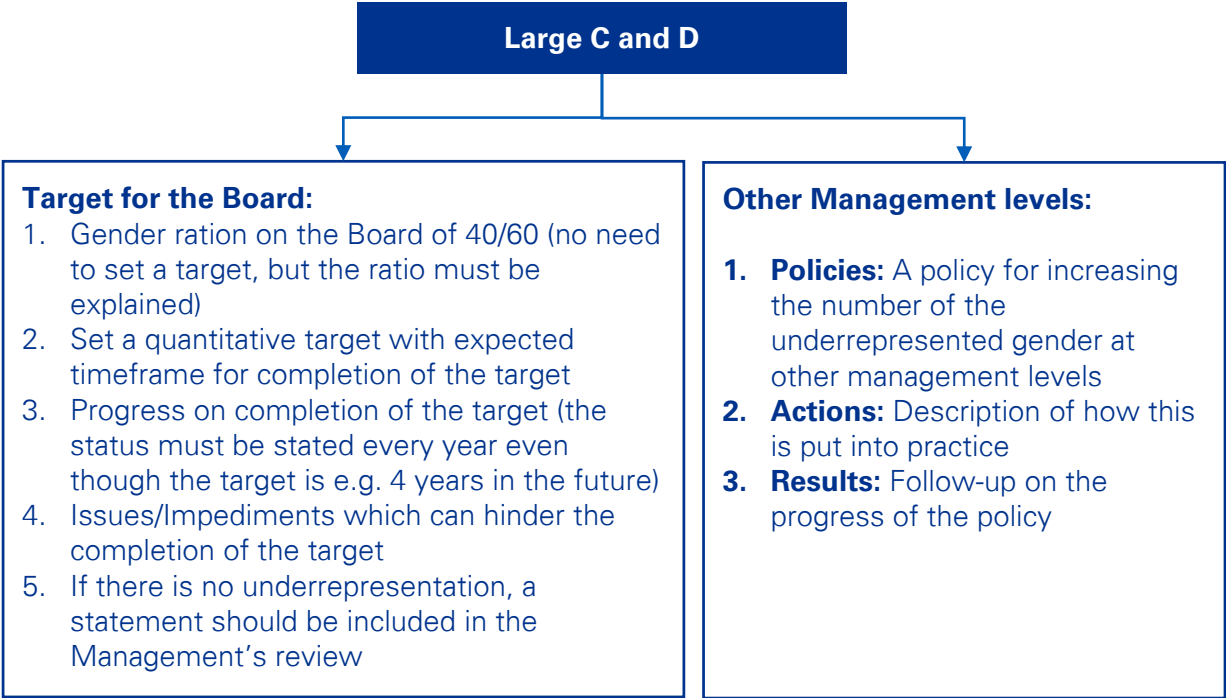
With the implementation of the EU Directive in 2015, the gender distribution requirements remain the same as they were defined in 2013.

The figure below presents an overview of what the companies need to disclose under section 99 b. The figure is based on "Måltal og politikker for den kønsmæssige sammensætning af ledelsen og for afrapportering herom" from The Danish Business Authority.

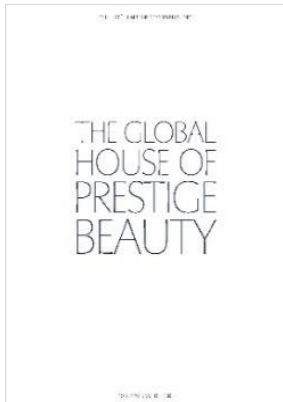
Under section 99 b, it is not an option for companies to omit disclosure of targets or policies. However, they can choose to direct the reader to the consolidated financial statements (which describes the target for the Board and the entire group) or a separate Communication on Progress report (COP report) (see separate section below). The target for the Board should be a maximum of four years.

Moreover, companies are not obligated to disclose a policy for other management levels if:

- They have already achieved equal gender distribution (40/60),
- There is one or two members in Management,
- The total number of employees has been less than 50 in the latest financial year.



## Practical example

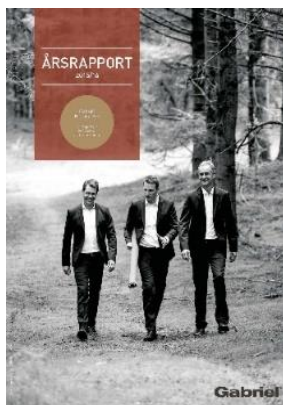


### Estee Lauder Cosmetics A/S

Reporting class: C large

As mentioned above, if the gender distribution on the Board is 40/60, there is no need to set a target. This is the case with [Estee Lauder Cosmetics in Denmark](#), where they have managed to achieve a 33% ratio of the underrepresented gender at board level.

In addition, currently the gender distribution in Management is 62% women and 38% men. This is due to the company's policy where at least one candidate of each gender is always among the finale three candidates when the company recruits members of Management.



### Gabriel A/S

Reporting class: D with  
less than 500 employees

In its latest [annual report](#), the textile company Gabriel A/S set clear targets to mitigate gender underrepresentation for both the Board of Directors and other management levels. By admitting that it is a challenge to attract female members to managerial positions, Gabriel will proactively work towards equal gender distribution.

A target that at least 25% of the members should be of the underrepresented gender for 2017 has been set for the Board of Directors, whereas the target is 30% for the Executive Board and middle management.



## Example for inspiration

### Policy

At [company], we are strongly dedicated to diversity and presenting equal opportunities to our employees at all levels of our business. We constantly strive to value diversity, mitigate gender underrepresentation.

### Target for the Board

Our Board of Directors consists of six members, only one of which is female. Thus, we have set **a target** to increase this number to three by 2021, in order to achieve a balanced gender representation. For 2016, we promoted one female to be part of the Board of Directors (**progress**). It is difficult to recruit females as the company's industry is male-dominated (**issue that can hinder completion of the target**).

### Actions and results:

In order to address this challenge, we have created numerous initiatives in terms of attracting and retaining more female representatives at board level and other management positions. One example is providing additional benefits to females who have recently returned to work after maternity leave, e.g. training courses in order to be brought up to speed faster within their areas of expertise and leadership and the possibility to take two days off with pay each month to spend time with their families. Currently, the gender distribution at other management levels is 23/77% with a target of 40/60% by 202#.



## Appendix 2: Separate report compliant with international reporting standards

Under the Danish Financial Statements Act, there are several international reporting standards and guidelines under which the mandatory information could be disclosed or reported on:

- **Global Reporting Initiative (GRI)** – The GRI is an international organisation that helps public and private organisations understand and report on their environmental, social and economic impacts. Founded in 1997, GRI has created the most widely used reporting framework used by approximately 8,700 organisations worldwide. The GRI standards can help organisations measure and communicate their sustainability efforts.
- **United Nations Global Compact (UNGC)**
  - The UNGC is a voluntary initiative committed to implement universal sustainability principles and support the Sustainable Development Goals. The UNGC has developed a reporting framework of ten principles, grouped in four categories: Human Rights, Labour, Environment and Anti-corruption. Companies are encouraged to sign the UNGC, follow the principles and publish an annual COP report to disclose their progress and commitments to establish a culture of integrity.
- **United Nations Principles of Responsible Investment (UNPRI)** – The PRI works with its international network of signatories to put the six Environmental, Social and Governance (ESG) Principles for Responsible Investment into practice. Its goals are to understand the investment implications of environmental, social and governance issues and to support signatories in integrating these issues into investment and ownership decisions.
- **OECD Requirements for Multinational Companies** – A series of recommendations that provides voluntary principles for responsible business behaviour in compliance with applicable laws.
- **ILO Tripartite Declaration on Multinational Enterprises and Social policy (MNE)** – Guidance to companies on social policies and how to create an ethical workplace. The MNE Declaration was adopted in 2014 and advises companies on how to apply successful labour rights practices.
- **ISO standards, e.g. ISO26000** – An international standard developed to support organisations in sufficiently addressing socially responsible practices. In comparison with the rest of the ISO standards, ISO26000 does not provide a certification to companies, but rather conceptually outlined guidelines on how to act in a socially responsible and ethical manner.

**To be able to refer to those frameworks, this report must cover all the requirements applicable under section 99 a. Furthermore, companies should be aware of the following:**

- Companies are required to state in the management statement that they have applied the exemption provision and cite the URL address to where the report can be found.
- The supplementary report should cover the same period as the management statement.
- The supplementary report should be published no later than at the date of the publication of the management statement.
- The referenced URL address should be accessible for a 5-year period.

# Appendix 3: Payments to authorities (section 99 c)

The requirements for disclosures of payments to authorities (section 99 c) were introduced in 2015 together with the updated requirements for section 99 a. However, in comparison with section 99 a, which relates to all industries for reporting class C large and D companies, section 99 c refers to a small number of reporting class C large and D companies that have activities within specific areas.

These activities are related to **exploration, prospection, discovery, development and extraction of minerals, oil, natural gas deposits or other materials**. It also includes companies within the **logging of primary forests**. Under the Act, companies are required to disclose payments made to

governments, including national, regional or local authorities, in addition to departments, agencies or other institutions under the control of authorities. Moreover, any payments made within the scope of a specific project related to one of more of the above activities should be disclosed.

In cases where a single payment or the total amount of a series of payments to authorities does not exceed DKK 750,000, companies are not obligated to disclose the payments. The disclosure of payments follows the same rules as described on page 65 under Disclosure of mandatory information under sections 99 a and b.

As an illustrative example, the below figure gives an overview of how payments per government and per project could be structured within all the mandatory categories, e.g. royalties and dividend, if applicable.

Disclosure of payments to authorities (may be supplemented by a statement)					
DKK'000	Authority 1	Authority 2	Authority 3	Authority 4	Total
Manufacturing rights					
Direct and indirect taxes on the Company's income, manufacturing or profit apart from direct and indirect taxes on consumption					
Royalties					
Dividend					
Signing, exploration and manufacturing bonuses					
Licence fees, rental fees, admission fees and other consideration for licences or concessions					
Payments for infrastructure improvements					
<b>Total payments made per authority</b>					

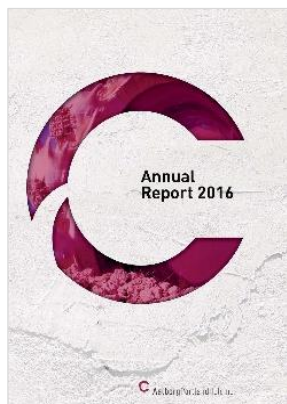
# Disclosure of payments to authorities (may be supplemented by a statement)

DKK'000	Project 1	Project 2	Project 3	Project 4	Total
Manufacturing rights					
Direct and indirect taxes on the Company's income, manufacturing or profit apart from direct and indirect taxes on consumption					
Royalties					
Dividend					
Signing, exploration and manufacturing bonuses					
Licence fees, rental fees, admission fees and other consideration for licences or concessions					
Payments for infrastructure improvements					
<b>Total payments made per project</b>					





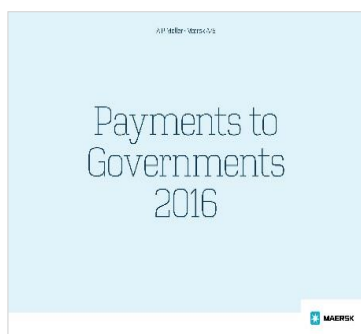
## Practical example



### **Aalborg Portland**

Reporting class: C large

In 2017, Aalborg Portland Group published [its 2016 annual report](#), which complies with sections 99 a, b and c requirements of the Danish Financial Statements Act. Under 99 c, the company disclosed payments to authorities made in relation to the use of minerals in the cements production. The overview includes payments by quarry, taxes, royalty and licences for the Group's facilities in Denmark, Turkey, Egypt, Malaysia and China.



### **The Mærsk Group A/S**

Reporting class: D with  
500+ employees

[The Mærsk Group A/S](#) provides an explanation of section 99 c requirements and their compliance with specific focus on Maersk Oil as a company operating in the extractive industry.

The report includes payments to governments, and it is divided by country/government and project under the categories production entitlement, taxes, royalties, dividends, bonuses, fees, infrastructure payments, total payments and payments in kind (1000 barrels). By disclosing such overview, investors and other stakeholders can track in which countries payments have been made, for which projects and the amounts paid.

# Appendix 4: Checklists to sections 99 a and b

The below checklist is inspired by some of the general questions companies have when preparing their CSR/sustainability statements/report in order to comply with the Danish Financial Statements Act.

The checklists can be used to define the areas that might require additional attention as a result of the updated section 99 a and current section 99 b

requirements. They include the complete overview of all the mandatory areas for reporting.

The Elements column clarifies whether the questions relate to Policies, Actions, Results or Due diligence, Risk and KPIs. Note that, depending on the company's size, not all requirements are mandatory before 2018. We encourage you to answer all the questions for all mandatory areas and elements, no matter the company's size in order to clearly define the focus areas of your sustainability strategy and reporting.

Sections 99 a and b			
	Elements	Yes/No/NA	Comments
General CSR policies			
Does the company have a defined policy/position/strategy on CSR/sustainability?	Policies		
Does the company comply with local regulations and follow any international commitments related to CSR/sustainability?	Policies		
Does the company have CSR/sustainability-related actions/procedures in place to track progress and report performance?	Actions		
Is the company involved in any philanthropically actions/community engagement?	Actions		
Does the company make use of due diligence processes in defining its CSR/sustainability-related actions?	Due diligence		
Does the company perform risk assessments in regard to sustainability areas in its operations and supply chain?	Risk		
Does the company have defined non-financial KPIs on addressing/measuring its CSR/sustainability-related initiatives (reduce environmental & social impact)?	KPIs/ Results		
Does the company have a description of its corporate strategy, core activities and overall sustainability strategy and visions?	Business model description		

Sections 99 a and b			
	Elements	Yes/No/NA	Comments
Does the company have a business model description, presenting the interrelation between core business and sustainability with focus on the products, services and operations and their sustainability impact?	Business model description		
Does the company report its performance related to general CSR with relevant stakeholders?	Results		
Does the company elaborate on the absence of any policies in regard to CSR?	Policies		
Impact on climate			
Does the company have a defined policy/position/strategy on climate change?	Policies		
Do the company's operations or supply chain have an adverse effect on climate change (GHG, global warming)?	Policies		
Does the company comply with local regulations and follow international commitments related to climate change? (GHG Protocol)	Policies		
Have the company's operations and/or supply chain historically had an impact on climate change?	Policies		
Does the company take any actions on addressing its adverse climate change impacts/GHG emissions (renewable energy use, reduced electricity consumption)?	Actions		
Does the company make use of due diligence processes in defining its climate change-related risks/actions?	Due diligence		
Does the company perform risk assessments in regard to climate impacts within its operations and supply chain?	Risks		
Does the company have defined non-financial KPIs on addressing and measuring its climate change impacts (GHG emissions from production, logistics, refrigerants and transport)?	KPIs/Results		
Does the company report its performance related to climate change and engage and communicate with relevant stakeholders?	Results		
Does the company explain why it does not have any policies on impact on climate, if relevant?	Policies		



## Sections 99 a and b

	Elements	Yes/No/NA	Comments
<b>Impact on human rights</b>			
Does the company have a defined policy on human rights?	Policies		
Do the company's operations or supply chain have an adverse effect on human rights (discrimination, lack of diversity and equal opportunities)?	Policies		
Does the company comply with local regulations and follow international commitments related to human rights (e.g. United Nations Guiding Principles on Business and Human Rights)?	Policies		
Have the company's operations and/or supply chain historically been associated with human rights violations?	Policies		
Are there actions taken to address the human rights violations from the company's operations and supply chain?	Actions		
Does the company make use of due diligence processes in defining its actions/risks towards human rights?	Due diligence		
Does the company perform risk assessments in regard to human rights impacts within its operations and supply chain (audit supplier checks, risk assessment of markets of operations)?	Risks		
Does the company have defined non-financial KPIs on addressing and measuring its impacts on human rights (H&S, training of employees in human rights policies, audit suppliers)?	KPIs/Results		
Does the company report its performance related to human rights and engage and communicate with relevant stakeholders?	Results		
Does the company explain why it does not have any policies on human rights, if relevant?	Policies		
<b>Impact on environment</b>			
Does the company have a defined policy on environment?	Policies		
Do the company's operations or supply chain have an adverse effect on the environment (air, water pollution, land degradation, deforestation and resource depletion)?	Policies		

Sections 99 a and b			
	Elements	Yes/No/NA	Comments
Does the company comply with local regulations and follow international commitments related to protection of the environment?	Policies		
Have the company's operations and/or supply chain historically had an adverse effect on the environment?	Policies		
Are there any actions taken to address the impact on the environment from the company's operations and supply chain (waste management, resource management systems, energy efficiency techniques, circular economy, LCA)?	Actions		
Does the company make use of due diligence processes in defining its actions/risks in respect of the environment?	Due diligence		
Does the company perform risk assessments in regard to environmental impacts from its operations and supply chain?	Risks		
Does the company have defined non-financial KPIs on addressing and measuring its impact on the environment? (waste generated, energy, water consumption, renewable energy use, GHG gases)	KPIs/Results		
Does the company report its performance related to environment and engage and communicate with relevant stakeholders?	Results		
Does the company explain why it does not have any policies on impact on environment, if relevant?	Policies		
Anti-corruption and bribery			
Does the company have a defined policy on anti-corruption and bribery?	Policies		
Does the company operate in countries ranked as likely to have significant risks of corruption according to Transparency International's Corruption Perceptions Index?	Policies		
Have there been any recorded cases of corruption within the company and its supply chain?	Policies		
Does the company follow any local regulation and/or international commitments on corruption and money laundering?	Policies		

## Sections 99 a and b

	Elements	Yes/No/NA	Comments
Does the company have any internal policies/Code of Conduct on corruption and money laundering?	Policies		
Are there any actions taken to address the impact on corruptive behaviour from the company's operations, employees and supply chain?	Actions		
Does the company provide training to all employees on corruption and money laundering-related risks and corporate procedures and policies?	Actions		
Does the company have whistle-blower system in the place?	Actions		
Does the company make use of due diligence processes in defining its actions/risks regarding anti-corruption and bribery?	Due diligence		
Does the company perform risk assessments in regard to anti-corruption and bribery within its operations and supply chain?	Risks		
Does the company have defined non-financial KPIs on addressing anti-corruption and bribery (supplier audits, third-party checks, trained employees, recorded cases on whistle-blower system)?	KPIs/Results		
Does the company report its performance on corruption and money laundering-related incidents/training and engage and communicate with relevant stakeholders?	Results		
Does the company explain why it does not have any policies regarding anti-corruption and bribery?	Policies		

## Social and staff matters

Does the company have a defined policy/position/strategy on labour rights/social and staff matters?	Policies		
Do the company's operations or supply chain have an adverse effect on labour rights (child labour, discrimination, forced labour, lack of providing a healthy and safe working environment and equality in hiring and promotion process)?	Policies		
Does the company comply with local regulations and follow any international commitments related to labour rights?	Policies		



Sections 99 a and b			
	Elements	Yes/No/NA	Comments
Are there any actions taken to address labour rights violations from the company's operations and supply chain?	Actions		
Does the company make use of due diligence processes in defining its actions/risks regarding labour rights (social and staff matters)?	Due diligence		
Does the company perform risk assessments in regard to labour rights within its operations and supply chain?	Risks		
Does the company have defined non-financial KPIs on addressing and measuring labour rights (number of FTEs, number of trained FTEs, rate of underrepresented gender at board and management levels)?	KPIs/Results		
Does the company report its performance on social and staff matters and engage and communicate with relevant stakeholders?	Results		
Does the company explain why it does not have any policies on impact on social and staff matters?	Policies		

Section 99 b			
	Elements	Yes/No/NA	Comments
<b>Target for the Board</b>			
Does the company have a quantitative target to increase the underrepresented gender at board level?	Target		
Is the quantitative target related to a specific time frame with max 4 years of completion?	Target		
Does the company disclose the status of the number of board members?	Target		
Does the company communicate progress on the target each year?	Target		
Does the company communicate any impediments/challenges that might hinder the company from achieving the target?	Target		

Section 99 b			
	Elements	Yes/No/NA	Comments
<b>Other management levels</b>			
Does the company have a defined policy/position/strategy on how to increase the number of underrepresented gender within other management levels?	Policies		
Does the company have any actions in place to increase the number of underrepresented gender within the management staff?	Actions		
Does the company report its progress related to increasing the number of underrepresented gender within the management staff?	Results		
<b>Disclosure of mandatory areas</b>			
Are the mandatory areas with their three elements disclosed as part of the management statement? If yes, please ignore the rest of the questions below.	Management statement		
Are the mandatory areas disclosed as part of consolidated financial statements or the Group's sustainability/CSR report, which follows the same reporting period as the company's management statement and complies with the requirements?	Consolidated financial statements/ CSR report		
Will the statement as part of the consolidated financial statements or the sustainability/CSR report be accessible on the company's/group's website, and will the URL address included in the management statement be available for five years after publishing?	Consolidated financial statements, Availability of information		
Are the mandatory areas disclosed as part of a COP report that follows the same reporting period as the management statement and complies with the requirements?	COP report		
Will the statement as part of the COP report be accessible on the company's website, and will the URL address included in the management statement be available for five years after publishing?	COP report, Availability of information		
Are the mandatory areas, disclosed on the company's or group's webpage where the disclosed information is in compliance with requirements, clearly separated, and will the URL address included in the management statement be available for five years after publishing?	Website		

# Disclosure of mandatory information under sections 99 a and b

Companies have several options to choose from when disclosing the mandatory information. The below table shows where and how companies can disclose the information such as in their management statements, on their website or in a separate CSR/sustainability report/consolidated financial statements.

## 1. Disclosure of sections 99 a and b in Management statements:

- a. The structure should follow the three elements for each of the mandatory areas, i.e. policies, actions and results, and disclosure of gender distribution policy in accordance with section 99 b

## 2. Disclosure of sections 99 a and b in Company's/Group's websites\*:

- a. The company should state in the management statement that the information on the website forms part of the Management's review and specify the covered period.
- b. The information provided under sections 99 a and b information should be clearly separated from other sustainability/CSR-related information on the website.
- c. The referenced information should comply with sections 99 a and b, i.e. include the mandatory areas and their three elements.
- d. It should be published in the management statement under the title "Statutory reporting on CSR, see sections 99 a and b of the Danish Financial Statements Act".

## 3. Disclosure of sections 99 a and b in Additional CSR/ sustainability report or consolidated financial statements/ COP reports\*:

- a. The referenced information should comply with sections 99 a and b, i.e. include the mandatory areas and their three elements,
- b. It should be published in the management statement under the title "Statutory reporting on CSR, see sections 99 a and b of the Danish Financial Statements Act".
- c. If a supplementary CSR/sustainability report is referenced, the latter should cover the same reporting period as the management statement, e.g. January to December

### **\*NB:**

The URL address should be available for a period of five years after the publishing of the management statement.

- The supplementary report should also be available on the date of publication of the management statement
- It is no longer a requirement that the URL address leads directly to the CSR/sustainability report or consolidated financial statements. It may also direct the reader to a homepage on the website of the company where all the reports can be found.





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