How the Nordic countries approach CSR and MSI

A study of firms’ CSR actions. The Nordic model.

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by

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Hur de nordiska länderna förhåller sig till CSR och MSI

Ett arbete om företags CSR aktiviteter. Den nordiska modellen.

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Abstract
There is an increasing demand for the private sector to include corporate social responsibility in their business and everyday work. This thesis has studied the corporate responsibility of firms in the Nordic countries (Denmark, Finland, Norway and Sweden), compared with firms in 18 other OECD countries. The results are then analysed by referring to the institutional framework that firms operate in; national and international institutions. In particular, the thesis aims at examining whether there is a distinctive Nordic approach towards CSR. The Nordic countries are argued to operate in a specific national business system, influenced by the welfare state model which also impact firms’ approach towards CSR. Furthermore, the role of multi-stakeholder initiatives (MSIs) is emphasized. National institutions are, due to increased globalization and awareness of global governance gaps, increasingly challenged by international institutions. To address this issue variables are collected from the MSI UN Global Compact (UNGC) Implementation Survey from 2017, the main variable being overall CSR actions the companies take, and more specifically with regard to human rights (HR), labour rights (LR), environment (EN) and anti-corruption (AC). A simple OLS with robust standard errors was performed to define the relationship between the variables. The result show both similarities and differences between the Nordic and OECD companies, but also differences to a larger extent than expected between the Nordic countries. The main contribution of this study is thus to highlight factors that influences companies’ CSR, with possible implications for policy makers as well as managers on a national and international level. Further research should elaborate and expand the CSR actions and compare on a cross-country level instead of a Nordic and OECD level and include companies in other MSIs.

Key-words
corporate social responsibility, sustainable development, Nordic model, institutions, multi-stakeholder initiatives, UN Global Compact, SDGs.
Sammanfattning
Det finns ett ökat krav på den privata sektorn att inkludera CSR (corporate social responsibility = företags samhällsansvar) i deras verksamhet och dagliga arbete. Detta arbete har studerat de nordiska ländernas (Danmark, Finland, Norge och Sverige) företags hållbarhetsarbete och jämfört med företag i 18 OECD länder. Resultatet är sedan analyserat genom att referera till vilka institutionella ramverk som företag verkar inom; nationella och internationella institutioner. Framförallt, detta arbete har studerat om det finns ett distinkt nordiskt förhållningssätt till CSR. De nordiska länderna är omtalade av att verka i en speciell nationell struktur (national business system), påverkad av välfärdsmodellen och som i sin tur påverkar företagens förhållningssätt till CSR. Följande, vilken roll multi-stakeholder initiatives (MSIs) har är diskuterat. De nationella institutionerna är i dagenens kontext, med ökad globalisering och medvetenhet om globala problem som kräver globala lösningar, konfronterade med internationella institutioner. För att undersöka detta hämtades variablen från MSI UN Global Compact (UNGC) Implementation Survey 2017 och huvudvariabeln är CSR aktiviteter inom hela CSR arbetet, men framförallt inom mänskliga rättigheter (human rights, HR), arbetsrättigheter (labour rights, LR), miljö (environment, EN) och anti-korruption (anti-corruption, AC). En vanlig OLS med robust standard errors användes för att bestämma sambandet mellan variablerna. Resultatet visar både likheter och skillnader mellan de nordiska och OECD länderna, men däremot visar resultatet mer skillnader mellan de nordiska länderna än förväntat. Det viktigaste bidraget med denna studie är att uppmärksamma de faktorer som påverkar företagets CSR, med vidare rekommendationer till beslutsfattare och managers på en nationell och internationell nivå. Fortsatta studier kan utveckla CSR aktiviteterna, jämföra på en nationell nivå istället för på en nordiska och OECD nivå, samt inkludera företag från andra MSIs.

Nyckelord
CSR, företags samhällsansvar, hållbar utveckling, nordisk modell, institutioner, multi-stakeholder initiativer, UN Global Compact, SDGs.
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Abbreviations

The following abbreviations will be used throughout this research:

CSR Corporate Social Responsibility
MSIs Multi-Stakeholder Initiatives
UNGC United Nations Global Compact
NBS National Business Systems
CPE Comparative Political Economy
NIT New Institutional Theory
LME Liberal Market Economies
CME Coordinated Market Economies
GRI Global Reporting Initiative
HR Human Rights
LR Labour Rights
EN Environmental Principles
AC Anti-Corruption Principles
COP Communication of Progress
COE Communication on Engagement
LN Local Network
ILO International Labour Organisation
OLS Ordinary Least Square
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1. Introduction

This chapter introduces the area of research: CSR. First a brief overview will be given of CSR and its concepts and different dynamics. A problem formulation and earlier research will be presented followed by the contribution and purpose of this paper. This chapter will conclude with the contribution to sustainability, its limitations and an outline of this paper.

1.1 Introduction

This research aims to study the Nordic firms’ approach towards Corporate Social Responsibility (CSR) and the UN Global Compact (UNGC). It will first investigate if there is a distinctive Nordic approach for CSR. Second, the research will investigate what role multi-stakeholder initiatives, in this case the UNGC, play for the Nordic firms’ CSR.

CSR came into the scene at 19060s (Carroll, 1991) and first originated in US with the focus on businesses’ voluntarily self-regulation that aligns profit maximization with social expectations. CSR delegates significant power to businesses regarding issues about society and environment and promotes, over traditional government regulation, corporate self-regulation and civil co-regulation (Vogel, 2005; Preuss et al. 2006; Carroll, 2008; Matten & Moon, 2008; Newell, 2005 in Gjølberg, 2010). However, CSR is not limited to the voluntary dimension. Large firms in some industries and countries are subject to regulation and requirements where CSR issues have increased governments incentives and regulations for businesses (Rasche et al. 2017). There is also cross-national evidence that the underlying meanings of CSR varies, and also the issues and modes it aims to address (Moon & Matten, 2008). Firms can also respond differently to the legal rules, codes and standards, from minimal requirements for compliance or more proactive actions. The different policies, practices and outcomes regarding social issues also relates to the different expectations on companies and will differ from social and political contexts (Jackson & Bartosch, 2016).

The EU’s updated definition of CSR from 2011, states CSR as “the responsibility of enterprises for their impacts on society. [...] enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumers concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large, and identifying, preventing and mitigating their possible adverse impacts” (EU Commission, 2011, p. §3.1). Regarding the definition, CSR is not an easy concept to define since it involves many concepts and dynamics. One early framework view CSR in four dimensions to understand the corporations economic, legal, ethical and philanthropic performance, with the focus of businesses to “be profitable, obey the law, be ethical, and be a good corporate citizen” (Carroll, 1991, p. 48) and is dependent on the firm’s size, strategy, industry, state of economy etc. (Carroll, 1991). Dahlstrud (2006) elaborate on mainly the environmental-, the social-, the economic- and the stakeholder-dimension which are to some extent all present in the definition. The social, environmental and economic dimension could then further be analysed in terms of the “Triple Bottom Line (TBL) established in 1994 by John Elkington. The term extends the original term, the bottom line, which includes the companies’ profit and losses. These three bottom lines is summarized in three P’s: people, planet and profits and focus to measure the social, environmental and financial performance of corporations (The Economist, 2009). However, in relation to
sustainable development, the term might be an idealistic rhetoric as tensions might arise between the different goals and stakeholders (Scheyvens et al., 2014).

With the wide range of definitions and concepts of CSR, Garriga and Melé (2004) gives a mapping of the theories of CSR, and group the theories into four main groups: instrumental, political, integrative and ethical theories. The instrumental theories see CSR as a strategic tool for wealth creation and focus on objectives that produce long-term profits. It incorporates to maximize shareholders value, achieving competitive advantages and cause-related marketing. The political theories focus on power and position of business and their responsibility and the interaction between business and society. The main conclusion is to use their business power in a responsible way. Main theories are the corporate constitutionalism, integrative social contract theory and corporate citizenship. Integrative theories look at how business integrates social demands and further gives the business legitimacy and prestige. Theories included are issues management, public responsibility, stakeholder management and corporate social performance. On the other hand, ethical theories are based on principles that show the rights things to do to reach a good society with the main theories are normative stakeholder theory, universal rights, sustainable development and the common good approach (Garriga & Melé, 2004).

Further, these theories relate to different rationales describing the “why” questions: why the private sector engage in CSR and might also indicate how the companies approach CSR. The six different rationales, described by Moon et al. (2017) often reflect the ideological perspectives on the business CSR and combine principles and strategies which has developed over time. The first rationale is the social responsibility of business where the creation of wealth from a profitable company can ensure greater social benefits such as paying taxes, their employees and provide the goods and services for the society and their customers (Moon et al., 2017). The second rationalies is to use wealth created by business for social ends, philanthropy and can be part of a company’s CSR strategy, however, sometimes becomes attached to the overall strategy of the firm (Rasche et al., 2017). The third rationale is being a social enterprise. Another rationale is to ensure a social licence to operate and considers the company’s legitimacy, however this can also differ due to the social expectations in industries and countries (Moon et al., 2017). This might be overlapping with corporate accountability, a related aspect of CSR, but more focusing how firms needs to be held accountable for their actions through sustainability reporting (Rasche et al., 2017). The fifth rationale combines both the shared value and stakeholder approach and the business case for CSR. The stakeholder dimension highlights the company’s needs to create value for various stakeholders, “managing stakeholders”, not only the shareholders, but also customers, employees, suppliers, communities (Rasche et al., 2017). The business case combines the social and business benefits, and refers to why businesses should accept and advance the CSR “cause” and what does they get out of advancing CSR (Carroll & Shabana, 2010). The business case for CSR will demonstrate how strong performance in CSR will be in the self-interest of the company. However, businesses might be unable to move beyond the business case and CSR will result in only and add-on of sustainability (Scheyvens et al., 2015). Today, the focus of CSR has moved towards profit maximization referring to the business case of CSR and the relationship between government and governance. On that account, the last rationale address CSR in a form of governance, regarding businesses contribution to societal governance\(^1\), e.g., businesses can provide infrastructure, goods and services in the absence of

\(^1\) Societal governance is defined by Hans K. Hansen as “a political process that shapes social and economic institutions, with implications for national development, income, inequality, human capabilities, sustainability, international relations, war and peace”.

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government provision (Moon et al., 2017). Private governance is defined as the role that corporations take to fill the vacuum left by governments. Previous, the notion between governance and government did not differ much in the traditional state-centred context. However, in a rapidly globalizing environment, the traditional, sovereignty of nation state and legislative control may not be sufficient (Rasche & Gilbert, 2012). CSR can be viewed as a new form of private governance that might complement or even be a controversial alternative to the traditional state regulation and social partnership (Jackson & Bartosch, 2016). Many of the key problems today is transnational in character and cannot be solved by individual nation states (Scherer & Palazzo, 2008, p. 423, in Rasche & Gilbert, 2012). On that account, global governance is important especially where MNCs move to countries that gives advantages in terms of tax burden, environmental regulations etc., consequently, these issues need to be addressed at global governance level (Rasche & Gilbert, 2012).

Accordingly, companies growing in size and power, can become an influential actor in international policy debates regarding sustainable development issues where they can position themselves as an alternative solution when governments seem to lack the ability and will to solve rising issues in multilateral settings (Pingeot, 2014).

Regardless of what rationales the companies choose for CSR, there are also business opportunities associated with approaching CSR.

1.2 Problem formulation

Companies have increased expectations to positive contribute to society and various stakeholders through CSR. There are known to be cross-national differences in CSR and varies approaches. A business responsibility in one country might be expected to be a societal, governmental or individual responsibility in another country (Moon, 2007, p. 298). In this way, different national institutions can influence companies’ approach towards CSR. This research will do an analysis of the Nordic countries as they are known for their advanced performance to contribute to sustainable development (Table 1 (Appendix A); SDG Index, 2017). With similar political-economic institution; the well-known welfare model, the Nordic model are expected to have a significant impact on the companies’ approach towards CSR (Midttun et al., 2015; Gjølberg, 2010). The implication is a similarity within the Nordic countries and despite some differences, there is expected to be an overall similarity due to the high overall CSR performance in the Nordic in their approach towards CSR.

However, the main influence from national institutions have also been challenged by globalization and the international institutions. One key driver of the emergence of CSR is globalization and been important for increasing the demands on businesses. With companies spread across the globe and the world more interconnected, a “globalisation of responsibility” has emerged and the need of new ways to regulating business activities. There are also issues that need to be addressed on a global level and not only within nations, for example global warming, working conditions, taxes, etc. (Rasche et al. 2017). The emergence of international institutions, e.g. multi-stakeholder initiative, signal global institutions to address global challenges.

With the rise of globalization, this research will investigate if there is a Nordic model of CSR, and what role the international institutions, here in terms of UNGC, has.
1.3 Earlier research

Previous studies have analysed how both national and international institutions influence CSR, and result in different outcomes. Studies of national institutions, here mainly from the National Business System (NBS) and the Comparative Political Economy (CPE), views how different national institutions and economies influence businesses and their approach towards CSR. Studies of international institutions, on the other hand, view a convergence between companies CSR action due to globalization and the importance of legitimacy, with the main approaches from the New Institutionalisation Theory (NIT) and globalization. Further there is also a variety of literature analysing the impact of MSIs global governance gaps.

However, there is a lack of research in how these institutions, MSIs and UNGC, might differ and impact the national institutions, i.e. the Nordic countries. The two most relevant studies found is from Gjølberg (2009a) and Jackson and Bartosch (2016). The Jackson and Bartosch (2016) creates an index measuring CSR performance of companies in the OECD, mainly analysing the differences between liberal market (LME) economies and coordinated market economies (CME). Gjølberg (2009a) compared the participation of countries in CSR initiatives by also creating an index. This index indicates that the Nordic countries are among the top CSR performances. However, this study compare the national differences in MSIs and CSR, however, not the impact that the international institution has on the national and vice versa. does not capture the firms’ perception of the UNGC and how the membership in UNGC influenced to their CSR actions. Further, there is studies on what factors that influence CSR. However, a lack of studies that compare differences between countries. Rasche et. al. (2018) performed regression of the company’s members leaving a MSIs and find a trend, however, this was on an aggregated global level and not disaggregated on national level.

1.4 Purpose and research question

The study aims to build on previous research on cross-country differences in CSR actions/performance and with the main focus on the Nordic countries. It also aims to build on previous research on cross-country differences in the participation in UNGC and extend to what impact it has. It will connect these two areas within the institutional framework and see if there is a distinctive Nordic approach, and further how this might contrast to other OECD countries, and try to isolate the role of national and international institutions in their CSR and MSI participation. My contribution is to study CSR differences between the Nordic countries and the OECD countries using the data from the latest UNGC Implementation Survey (2017). An analysis will be conducted of the companies that are members in one of the largest MSIs, the UN Global Compact, with over 9,600 business signatories with the aim to implement Ten Principles (Table 2, Appendix A) regarding human rights (HR), labour rights (LR), environment (EN) and anti-corruption (AC) in their day-to-day operations.

Concluding, the research will in depth study the following research questions:

**Is there a distinctive Nordic approach towards CSR?**

**What role does MSIs play?**
1.5 Sustainability

With increased globalization and awareness of global challenges, there are increased demands for businesses. The new demands for businesses refers to the increased responsibility they are expected to undertake, covering the social, environmental and economic dimension and contribute to sustainable development. Despite that CSR and sustainable development might differ depending on the different national social, economic, governance and environmental systems where they are present (Moon, 2007), due to globalization, there are increased awareness for global solutions.

Sustainable development is most commonly defined, from The Brundtland report, *Our Common Future*, and “to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs” (The World Commission on Environment and Development, 1987, paragraph 27). Sustainable development differs but relates to CSR and can be connected to how businesses contribute to sustainable development through CSR (Rasche et. al., 2017). Through a resource-based perspective, companies can by approaching environmental sustainable activity bring increased competitive advantage (Hart, 1995 in Moon, 2007). CSR is assumed to benefit the company, not just in terms of the business case and increased legitimacy mentioned before, but also with business opportunities and these new market opportunities can deliver effective and innovative solutions. The integration of sustainability within the businesses’ value chains and operations can protect and create value for the firm by increasing sales, develop new market segments, improve efficiency in operations, innovating new products, new market segments, reducing employee turnover (GRI, UNGC, WBSCD, 2015). Business can provide a broader contribution through investment capital, cutting-edge technologies, specialized skills, and big data. Innovation and efficiency is driven by competition - and when social problems are approached as business opportunities there is value created for both the shareholders and the world (Kramer, 2014 in Scheyvens et al. 2014). The OECD report from 2016 stresses that investment in sustainable development is smart investment and firms that introduce in sustainability in their business models are successful, profitable, positive returns on capital (from reduced risks, diversification, increased revenue, reduced costs etc.). Along with the business case for sustainable development, the investments can also create jobs, infrastructure, innovation, social services etc. (OECD, 2016). Sustainability and inclusive business is also motivated to maintain a competitive position, avoid reputational damage, avoid future disruption in the supply, to respond to internal demands from employees and shareholders, and last on the list was to differentiate products (Chakravorti et al., 2014).

The private sector's role for sustainable development has not been without critique. The business sector is also responsible for many of the challenges the SDGs aim to address and the challenge with CSR is mainly driven by a voluntary and soft approach rather than regulative (Pingeot, 2014). There is also a challenge for businesses between the short-term business model and the long-term planning for social, economic and environmental goals. The challenge is that some managers does not respond to the soft regulation but only to the regulative. Sustainable development might post big challenges for the private sector, and to be able to achieve the goals, companies need to move beyond “business-as-usual” (Scheyvens et al., 2015). Another critic is the conflict in values and goals, especially in partnership between different stakeholder (Brinkerhoff and Brinkerhoff, 2011, in Scheyvens et al., 2014). The tension of different values could be addressed by acknowledging the business sector’s responsibility of creating some problems, and choosing to embed “responsible and ethical practices across all aspects of company operations and delivering
corporate social coherence” (Scheyvens et al., 2015, p. 380). In the context of globalisation, business can find opportunities in developing countries with lower standards, labour and natural resources while at the same time ensuring their legitimacy for their actions (Moon, 2007). Finally, CSR is not only referring to positive social performance because there might be a disconnection between policies and measurable outcomes. The intention of might be good (or not) and give insubstantial results (Jackson & Bartosch, 2016). The actions, when companies state that they work with social and environmental issues but does not provide significant changes, is the concept of greenwashing or window dressing (Waddock, 2008). In this type of free-riding companies might adopt an environmental policy of code of conduct without effectively implementing it. They state one thing but doing another (Utting, 2005, p. 383). On a similar account, bluewashing, a related concept, refers to the UN and the UNGC and that companies might shirk from responsibilities but still receive positive attention (Rasche & Waddock, 2017; Voegtlin & Pless, 2014). Businesses contribute to some of the main social and environmental issues today, e.g. overfishing of the oceans, violation of human rights, water scarcity, corruption, deforestation etc. With the rise of globalization, there has been increasing issues such business exploitation of labour markets, natural resources and social standards in developing countries, with as labor abuses, poor working conditions, sweatshops, etc. At the same time, the private sector is increasingly considered to be part of the solution (Rasche et al. 2017; Waddock, 2008; Moon, 2007).

As a comment, in September 2015, the United Nations (UN) 193 member states adopted the 17 Sustainable Development Goals (SDGs). The new Agenda 2030 for Sustainable Development, “Transforming Our World”, will set the direction the coming 15 years to ensure a sustainable future. The SDGs, also known as the Global Goals, build on the Millennium Development Goals (MDGs) and aim to complete what the latter did not achieve. The 17 goals with 169 targets is an ambitious agenda, for all countries and all stakeholders, that together in partnerships will implement the agenda and take action for the people, planet and prosperity (UN, 2015). The new global goals reach all countries and all stakeholders, including the private sector.

1.6 Limitations

The data of the cross-country differences is mainly analysed at an aggregated level; the Nordic vs the OECD countries, but there is also differences within these groups of countries. The dataset from the UNGC also contains a lot of data which could be used to further analyze in depth, especially in relation to the SDGs, suppliers, sustainability reporting and local networks (Appendix C).

One limitation to this study is also the criticism regarding bluewashing, also known as free-riding. This concept refers to companies that work with the UN to position themselves better than what they do. The membership in the UNGC generates positive spill-over effects while deviate the attention on activities less responsible. They might talk the talk but does not walk the talk (Rasche & Waddock, 2017; Voegtlin & Pless, 2014; Berliner & Prakash, 2014; Berliner & Prakash, 2015). Members in UNGC can gain reputation and goodwill benefits from participating, hence create opportunities for committing to the CSR goals, however not undertake substantive and costly changes for their CSR performance, also known as “bluewashing” (Berliner & Prakash, 2015). This is hopefully to some degree addressed by the anonymity of the survey.
Further, the study creates a CSR index based on the companies indicated actions. The level of the action cannot be determined and the performance from the index not measured. The focus of the study will be the company’s actions, which cannot say anything about their performance, however, there might be indication that the more actions a company undertake, especially through monitoring and evaluating, the higher level of performance. The actions chosen for the index could also be tested by evaluated on a disaggregated level. The chosen actions were the chosen to be able to compare between the different CSR areas. Further limitations are the small sample of companies studied and the companies asked might take other actions not mentioned here (however, the scope of the questionnaire is very inclusive). The small sample size also has a large variety of companies answering the survey, from 215 companies in Spain and 13 in Canada, which was not weighted (Table 3, Appendix A). All countries with 10 or less companies were not included in the research. The SDGs are also taken as face value without further engaging in the debate.

1.7 Outline

Chapter 2: Institutions and CSR
This literature review introduces the role of national and international institutions and its implication for CSR. The international institution used in this study, UNGC, will be introduced.

Chapter 3: The Nordic countries approach towards CSR and MSI
This chapter gives an overview of previous study in cross-country differences in CSR; with the focus on the implications to CSR from the welfare state model. The chapter concludes with the point of departure for the research questions.

Chapter 4: Methodology
The methodology section will present the research choice, data collection, the Implementation Survey and give an overview of the variables used in the analysis. Further, the models used to analyze the data will be presented followed by the implications for validity and reliability.

Chapter 5: Empirical analysis
Chapter 5 will present the result from the collected data and regressions and discuss the results regarding previous research on institutions, CSR and MSIs.

Chapter 6: Discussion
The discussion will present main conclusions based on the findings.

Chapter 7: Conclusion and further research
The conclusion will highlight the main findings, implications for policy makers and managers, and suggestions for further research.
2. Institutions and CSR

This literature review covers two different aspects of institutions and CSR. First, the chapter elaborates on different national and the implications for CSR. Second, the literature review discusses international institutions and the implications for CSR. It highlights the emergence of a new institutionalization in form: multi-stakeholder initiatives (MSI) because of rising globalisation and transnational governance gaps. The section will focus on one MSI: the UN Global Compact. The main empirical studies can be found in Table 4 (Appendix A).

Institutions are the rules of the game in the society, both the formal rules; the rules that human designs, and the informal rules; conventions and codes of behaviour. The purpose of institutions in the society is to reduce uncertainty by establish a structure of human interaction (North, 1999). Institutions have a structural dimension of both formal and informal rule systems, at the same time emphasising the ideational dimension and normative and cognitive patterns (Rasche & Gilbert, 2012). The institutional theory identifies that “CSR is located in wider responsibility systems which business, governmental, legal, and social actors operate according to some measure of mutual responsiveness, interdependency choice and capacity” (Matten & Moon, 2008, p. 407).

2.1 National institutions

Different countries have different institutions influencing CSR differently and the institutional theory is assumed to help understand the cross-national differences (Matten & Moon, 2008). Institutional approach towards CSR view it through the political and social context, e.g. the different stakeholder expectations, legal regulations, state traditions and historical patterns (Jackson & Bartosch, 2016). Despite the concept, CSR is a global phenomenon, different social, economic, cultural, legal and political context might influence CSR differently (Gjølberg, 2009a).

One concept is the National Business System approach (NBS) that identifies how the corporate choices are influenced by their social and political context (Matten & Moon, 2008). The business systems “are distinctive ways of structuring economic activities with different kinds of actors following contrasting priorities and logics” and vary depending on the different activities and resources that are integrated, how they are coordinated, controlled, different control groups, the competition and cooperation (Whitley, 2000, p. 449). The NBS study how different political-, education-, labour- and culture systems influence the nature of the firm, organization of market processes and the coordination and control systems (Whitley, 1997 in Matten & Moon, 2008).

Another concept to consider in cross-country analysis is Comparative Political Economy (CPE) which emphasis how different capitalist systems can create different institutional environments which further can impact firms’ strategies (Whitley, 1999, Hall and Soskice, 2001, Manow, 2001, Amable, 2003, Crouch, 2005 in Gjølberg, 2009b). The varieties of capitalism highlight the differences in economies, where the firm is the agent of economic adjustments and impact of its relationships. There are mainly two types of market economies that advanced nations fall under: liberal market economies (LME) and coordinated market economies (CME). LME countries often has a market-driven financial system, more flexible use of external labour market, more general systems for education and training, networks and alliances are low, the firm structure is often management-driven, top-down decision making.
On the other hand, CME is defined as bank-led financial systems, strong internal labour markets with employment protection, dense networks among firms, consensual decision making within firms and development of specialized skills (Kang & Moon, 2012 & Matten & Moon, 2008 in Jackson & Bartosch, 2016, p. 18)

2.1.1 Implications for CSR

The way NBS influence CSR can be viewed in two different ways: implicit and explicit CSR. Explicit CSR refers to “corporate policies that assume and articulate responsibility for some societal interest” (Matten & Moon, 2008, p. 408) and may respond to stakeholder pressure and engage in partnership with governmental and nongovernmental organizations. Explicit CSR emphasis voluntary corporate policies, programmes and strategies. The firm focus on responsibilities interest for the society and the communication is often high, well-articulated and often use the language of CSR to communicate to their stakeholders. Implicit CSR, on the other hand, refers to ‘corporations’ role within the wider formal and informal institutions for society’s interests and concern […] normally consists of values, norms and rules that result in (mandatory and customary) requirements for corporations to address stakeholder issues and that define proper obligations of corporate actors in collective rather than individual terms (Matten & Moon, 2008, p. 409). Implicit CSR does not need to explicitly communicate their CSR activities the same way as explicit CSR, and their participation is not voluntary as such but a reflection and action based on the institutional environment of the corporations and motivated by the consensus of society of all stakeholders’ responsibility, including firms (Matten & Moon, 2008).

Regarding CPE, the CSR in LME often takes an explicit approach, for example the USA and the UK, due to that the economy leave to the companies a large share of corporate responsibility. A substitution hypothesis is discussed as the firm needs to substitute for more formal regulations and stakeholder involvement. On the other hand, the CME countries, e.g. Germany and Denmark, takes more an implicit approach and develop a form of mirror hypothesis. The mirror hypothesis is where the firms might adapt more demanding CSR practices in countries with strong state regulations and stakeholder involvement. The implication of that the social and environmental responsibilities might be embedded in a regulated institutional and legal framework is the decreased need to explicit communicate the company’s CSR (Jackson & Bartosch, 2016; Gjølberg, 2009a).

There are a few cross-country studies that compare the different approaches towards CSR. One comparison by Matten and Moon (2008) find difference between the US and Europe in both the political-, education and labor-, financial-, and cultural systems which gives implications for CSR. For example, in Europe there are strong employment regulation over a large amount of topics, contrasting to the US where it is instead seen as explicit CSR (Matten & Moon, 2008). The US has underlying systems which gives incentives and opportunities for firms to take further explicit responsibility. Europe, on the other hand, has CSR embedded in industrial relations, corporate governance and labor laws, systems that ensures a wider responsibility with more narrow incentives and opportunities to take an explicit approach to CSR. Further, the NBS can also be used to explain the rise of explicit CSR in Europe as there are changes in the political systems, privatization of the industries and public services and the financial system has also been changing in so far as more European firms use stock market as the source of capital (Matten & Moon, 2008). Moreover, in Europe the access to capital has aligned with the increase of social responsibility criteria and become a key driver for CSR (Willian & Conley, 2005, in Matten & Moon, 2008). Another driver has been the
deregulation of labor markets and together with the weakened positions of trade unions and industry associations. The implication is that European companies are expected to take broader responsibility in terms of the labor system and skill development, meet stakeholders’ expectations and not depend as such on the welfare institutions. The cultural aspect also tells us that there is an increase in awareness regarding individual European MNCs, especially with their operations in the developing world (Matten & Moon, 2008). When this research was published, CSR initiatives in Europe was highly driven by industry associations, there are specific issues which corporations are responding to regarding environment and sustainability (Löfstedt & Vogel, 2001 in Matten & Moon, 2008). Large companies in Europe are also more connected with explicit CSR where smaller companies in Europe tend to engage in CSR but more within formal and informal networks than explicit policies (Matten & Moon, 2008).

Another cross-country comparison, made by Maignan and Ralston (2002), study the companies’ CSR self-perception and communication in Europe and the US. In the US, principles motivating CSR is mainly value-driven compared to the UK firms were principles were mainly performance-driven CSR, followed by France and the Netherlands. Further, the French and Dutch companies tries to build a socially responsible image of the company by mentioning practices closely related to production processes and traditional promotions where the US firms emphasize their CSR involvement beyond production and promotions, for example through philanthropic programmes and voluntarism. The conclusion of the differences might be linked to the different views of the business’s role in society, e.g. the firms in the USA have traditionally expectations to take leadership in the communities where they operate, where the state has been taken main responsibility for the welfare in Europe. On that account, in the US, there is a positive image towards businesses and they communicate to demonstrate how they meet the social expectations, compared to Europe where there has been a more sceptical approach of the true motivations of businesses involvement in CSR, hence companies may be reluctant to publicize their CSR efforts. The European firms also tends to motivate CSR as a response to stakeholders’ scrutiny and pressure, compared to the US (Maignan & Ralston, 2002).

Jackson and Bartosch (2016) study the cross-country differences in a CSR Index from a CPE perspective in relation to substitution and mirror hypothesis. The results indicate substantial differences across 24 different OECD countries between 2008-2013, however not in relation to the different categories of LME and CME. The results show however that the state and institutionalized coordination is important for the company’s CSR, as well as works councils, employment protection and governmental spending (Jackson & Bartosch, 2016).

### 2.2 International institutions

Today the national institutions are expected to be challenged by globalisation where corporations need to increasingly respond to global drivers. One concept discussing the role of international institutions and increased homogenization across national boundaries and industries are the new institutionalism (NIT). The main importance is the institutional legitimacy. It claims that the regulative, normative and cognitive processes increase the standardization and rationalized practices in organisations (DiMaggion & Powell, 1983 in Matten & Moon, 2008). DiMaggion and Powell (1983) highlight the three main mechanisms of institutional isomorphism\(^3\). First coercive isomorphism comes from the political influences

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\(^3\) Isomorphic: corresponding or similar in form and relations.
and problem of legitimacy. It relates to both the formal and informal pressures that organizations have by other organizations’ expectations. The mimetic isomorphism comes from standard responses to uncertainty. This aspect covers not the regulative authority but the modelling organizations that they consider to be legitimate and successful. Finally, the normative isomorphism is associated with professionalization and refers to both the formal education and to the growth of professional networks (DiMaggio & Powell, 1983). NIT also argues that organizations approach new ideas to be perceived as legitimate, modern and rational actors. Consequently, with increased globalization in areas of social, economic and political, there is a decreased power of the nation state and increase of standardization of organizations globally (Matten & Moon, 2008). Globalization and increased operations abroad, especially in developing countries where there is higher probability of poor governance and weak institutions, which influence new institutionalism (Matten & Moon, 2008).

2.2.1 Implications for CSR

The NIT, in terms of CSR, might be argued to be an “institutionalized myth”, which argues that CSR gives an accepted and appropriate prescription and approach for business-society relations and its challenges (Meyer & Rowan, 1977 in Gjølberg, 2010). The implications for CSR is that companies are adapting to the international guidelines for CSR to perceive legitimate. Matten and Moon (2008) elaborate how coercive isomorphisms emphasises the increase of rules, norms, laws, such as self-regulations, voluntary initiatives and other CSR-criteria that can enhance the firm's legitimacy. This also involves voluntary initiatives, such as code of conducts from the UN, OECD, ILO, GRI etc. Mimetic processes also relate to the firm’s legitimacy because in an uncertain environment the managers tend to lean towards the “best practice in their field”. Normative pressures relate to how different authorities in education or other profession set the standards for legitimate organizational practices (Matten & Moon, 2008). Regarding the previous section, the rise of explicit CSR in Europe has been from the changes in the European NBS. The explicit and international approach can then take two ways. First, the international approach can be influenced by the NBS, where there is institutional pressure from the nations to meet certain CSR standards in their global operations (Matten & Moon, 2008). Second, with the international institutional pressure that comes from the fact that many companies are operating in the developing world can give rise for more explicit CSR. This can assume that companies in the global sphere undertake explicit CSR, while having originally implicit CSR (e.g. Japan, India, Korea) (Matten & Moon, 2008). In this context, there has also been an emergence of international institutions to address global governance issues and approach and influence CSR. This can also include participation to other CSR organisations and institutions, e.g., the UNGC and the SDGs.

2.2.1 Multi-stakeholder initiatives: emerging institutions for CSR

There is a new emerging institutional infrastructure for corporate responsibility which have the aim to shape the rules for companies to act upon to address many of the rising global challenges. These “new rules of the game” will help companies to attain their legitimacy and ensure their accountability, transparency and ecologically in the absence of global governance (Gilbert et al., 2011; Waddock, 2008). There has been an increase of institutions in the mid-1990s focusing on enhanced dialogues and pressures on business activities. They range from market/business-sector initiatives, civil society institutions, state/government-sector initiatives, and from principles, standards, codes, certification, membership organizations, responsible investment institutions to multisector networks etc. The new
infrastructure that emerged has increased the responsiveness of corporation on corporate responsibility challenges and helped change the rules of the games for companies, furthermore the key of the institutionalization process at the core of social movements. These new institutions move companies beyond to “do good” and business and usual, and take a broader approach by recognising the impact of companies’ business models and its role in creating healthy societies (Waddock, 2008). Multi-stakeholder initiatives (MSIs), one of these emerging institutions, is defined as “NGOs, multilateral and other organizations encourage companies to participate in schemes that set social and environmental standards, monitor compliance, promote social and environmental reporting and auditing, certify good practice, and encourage stakeholder dialogue and “social learning”” (Utting, 2002, p. 2).

MSIs are of voluntarily nature, however when firms become members they are expected to comply with the rules regarding firms’ social and environmental behaviour (Rasche et al., 2018). Furthermore, MSIs is based on soft law compared to hard law, however, once you have joined the MSIs you are expected to comply with the rules otherwise you might face non-legal sanctions (Vogel, 2010; Kirton & Trebilcock, 2004; Mörh, 2004 in Rasche, 2012). Actors that participate within MSIs are firms (transnational), trade unions, civil society organisations, academic institutions, intergovernmental organizations and national governments (Rasche, 2012). From an institutional perspective, participants in CSR programs require them to produce public goods beyond government laws requirements (Berliner & Prakash, 2014).

MSIs have been a way to address the governance void at the transnational level where no legally enforceable law is possible (Ruggie, 2002 in Rasche 2012). Global governance gaps are created from the economic globalisation and issues that transcends the governance of only nation states and to ensure responsible business practices and provide public goods (Scherer et al., 2013 in Voegtlin & Pless, 2014). Other variety of institutional forms that are available to undertake global governance are classical intergovernmental institutions, trans-governmental networks between public agencies, international self-regulation for business and international civil society networks (Held & Koenig-Archibugi, 2005 in Rasche & Gilbert, 2012).

Previous research has investigated both the advantages and disadvantages of MSIs. The main disadvantages concern the power imbalance in rule-making, the flexibility leads to lack of rigor and comparability and low level of legitimacy due to the lack of inclusiveness. The advantages, on the other hand, discuss the flexibility and possibility to adapt to the local context and create legitimacy for global governance issues (Rasche, 2012). According to Fransen and Kolk (2007) when comparing MSIs and other collaborative standards the MSIs are considered more demanding and elaborated than those from NGOs, IGOs and business associations. The preferable characteristics of MSIs are the specificity and governance mechanisms which reflects the ambition to ensure equal decision making power between business and societal stakeholders (Fransen & Kolk, 2007).

2.2.2.1 MSI: The United Nations Global Compact

This study will focus on the emergence of one institutional framework and standard: the UN Global Compact (UNGC). The UNGC is a principle-based, voluntary multi-stakeholder
initiative, with soft law approach to support the business sector to align business’ operations, strategies and policies to create a sustainable future. Principle-based standards focus on dialog, learning and exchange best practice as a point of departure. The purpose of the standards is to create a baseline of the foundational values and principles that the companies are to be guided by, however, they are not to approve the firms action not be compliance-based assessment (Gilbert et al, 2011). The UNGC, based on Ten Principles (Table 2, Appendix A) that covers fundamental responsibility of HR, LR, EN and AC, is the largest corporate initiative with over 12,900 members, where of 9,600 are companies in over 160 countries and gathered over 52,000 public reports (UNGC, 2018). UNGC was founded in 2000 in Davos, under the leadership of Kofi Annan, to establish a partnership between the private sector and the UN (UN speech, 2018). The UNGC established the relationship between the UN and the business community. In 1990s the central role in tackling poverty was highlighted as market liberalization, technological change and increase in FDI and trade. The challenge for UN was to find incentives to attract the business community. From the increase of anti-globalization movement in 1999 and Asian Financial Crisis late 1990s set the foundation for the Compact. “Global markets must be embedded in a social consensus of shared values […] and as long as governments remained local while markets went global, there was a real gap in global governance, which, if left unattended, could be exploited by narrow interests at the expense of many” (Kell, 2005, p. 71). The perception of the role of businesses in society was changing and increased the pressure for companies to maintain their license to operate by taking on social and environmental policies. The legitimacy of UNGC’s principles gave the UN an institutional advantage in this context (Kell, 2005).

UNGC is organized with the main office is in New York and then Local Networks (LNs) in most of the member countries. The LNs supports the local firms and subsidiaries of MNCs to implement the Ten Principles, and also help the companies with opportunities and challenges related to the implementation of the broader UN goals (UNGC, 2018). The UNGC is governed by representatives from the UN system, the business world, NGOs and trade unions through an advisory board. The board helps strategically with the development of different initiative and changes. The Global Compact Office in New York oversees the networks but does not control or enforce any rules (Rasche, 2012). The aim is that UNGC, through dialogue and partnership projects, can facilitate learning hence create corporate responsibility. The strategy to address governance problems are through increasing awareness of governance problems followed by self-regulations, and not through legally binding regulations (Rasche & Gilbert, 2012). UNGC has become the largest global self-regulatory initiative, also seen as a role model to initiative within global governance and made CSR globally visible, even if it has been without criticism (Voegtlin & Pless, 2014).

The focus of this study will be the institutional role of UNGC and how the initiative is helping the company’s CSR actions and performance. In the Progress Report from the UNGC in 2017 present the most frequent actions by companies to embed CSR throughout the firm. Large companies’ public disclosure of sustainability policies and practices (83%), monitor and evaluate sustainability performance (80%), set measurable sustainability goals (78 %) and join voluntary initiative in addition to the UNGC (78%). For small firms the most common action was establish/adjust policies in incorporate visions and goals (58%) and set measurable sustainability goals (50%). All participation in UNGC in 2017 showed improved benefits with sustainability reporting, and the most important aspect is that it helps integrate CSR commitment into business operations (~56%) and improves corporate reputation (~54%). However, least beneficial is the information to investors (Progress Report, 2017). Members in the UNGC also mentioned to what extent the participation in the UNGC helped
advance their CSR. Only 3% reported that advancement would not have happened without being a participant, however 30% reported significantly help to advance efforts and 47% said UNGC helped moderately to help advance efforts. Finally, 16% reported minimally help and 3% said UNGC had no impact. The companies also **strongly agreed** that the UNGC helped guide their corporate sustainability reporting (19%) and drive implementation of sustainability policies and practices (18%). Further, they **agreed** that the UNGC helped them regarding motivating advance broader UN goals (47%), guide reporting (47%), drive implementation (52%) and shape companies’ vision (38%). The least helpful has been to shape the company’s vision (6% **strongly disagree** (UNGC Progress Report, 2017). This report gives us an indicator of the global approach towards CSR and UNGC’s influence.

The pros and cons of UNGC is well debated. The UNGC is criticized for not showing any progress (Voegtlin & Pless, 2014), and focus on quantity growth instead of quality growth (Sethi and Scheipers, 2014, in Voegtlin & Pless, 2014), improvement in COPs to ensure transparency, implementation and learning (Rasche & Waddock, 2014), legitimacy due to the imbalance of participants between business and non-business and more local and context-specific partnerships (Rasche & Gilbert, 2011) and lack of global-ness (Bremer, 2008). Further, much of the critic is confronted that the initiative was never intended to be a monitoring framework (Rasche, 2009 in Rasche & Gilbert, 2011), ensure a balance between quality and quantity to not only include high performance companies (Rasche & Waddock, 2014) and strong participation from countries apart from only Western countries (Rasche & Gilbert, 2011). Further, Kell (2005) is sceptical if the UNGC, as a regulatory instrument, it would have produced more results. The UN would have a difficulty in establishing a common regulatory framework with its 191 Member States and a voluntary approach showed the flexibility from the fast evolution of the initiative. The UNGC has a network-structure which is based on two networks, a global and many local networks. It has a significant role in not creating a hierarchical structure and instead providing flexibility for the different issues. A hierarchical approach would limit the ability for UNGC to address governance gaps as it will diminish the ability to provide intersubjective understanding of different global challenges. UNGC is a platform at the international level with the purpose to implement solutions in to the national context, in the LNs (Rasche & Gilbert, 2012).

Two previous research and econometric studies in relation to UNGC will be presented. Lim and Tsutsi (2012) view the adaption of UNGC and GRI, and from an international and national perspective. There can be both international institutional pressure (government and NGOs) and political-economic pressures, and national institutional pressure in terms of legitimacy of CSR principles and national political-economy factors. However, there is differences between developing and developed countries which further leads to more substantial commitment (GRI) in developing countries, and more ceremonial (UNGC) in developed countries. The results also show that in many developed countries, the liberal economic policies increase less substantive actions. Rasche et. al (2018) have recently analysed the membership in the UNGC through a resource-based perspective and why firms leave MSIs. The results show that SMEs are more likely to be delisted compared to larger firms, as well as firms that are early adopter compared to late adopter. Firms that have lower likelihood of being delisted is the ones member in FT500. The conclusion is that the firm size, year of joining, ownership structure, and the existence of local networks influence a firm’s’ decision to leave a MSIs. The interpretation of LNs is that the presence of a LN is enough for legitimacy spillover effects and not the number of participants. Some of these variables will be used in the econometric model for this study, to further conclude the impact in the Nordic countries and compare with the OECD. Finally, there is limited research on the
actual implementation process of the principles and one key challenge of this is to isolate the
effects on participants’ engagement in UNGC only (Rasche et al., 2012). Despite the
limitations, this research aims to add value to both what impact the companies CSR actions
together with the impact of the UNGC.
3. How the Nordic countries approach CSR and MSI

There has now been presented two different institutional environments, the national and international institutions, that can impact the countries CSR. However, there is a small amount of studies analysing cross-country differences in both CSR and MSIs, and the relationship between. This chapter will introduce the area of research; the Nordic countries, the welfare state model and the implications for CSR and MSIs.

3.1 The Nordic countries

The Nordic countries consist of Denmark, Finland, Iceland, Norway and Sweden, and also includes Faroe Islands, Greenland and Åland (Nordic Council report, 2018). Unfortunately, Iceland will not be included in the analysis because of the lack of companies in the UNGC. The word Nordic refers to “north” and can be used both as a geographical and/or cultural connection between the above-mentioned countries and Scandinavia instead refers to the geographical and cultural connection between Denmark, Norway and Sweden (Strand et. al., 2014). The “Nordic model” is impacted by similar cultural-ideological values and political-economic institutions, as well as the importance of the state’s role in the economy (Gjølberg, 2010), the countries are also CMEs, influenced by the welfare state and have high SDG/CSR performance.

Denmark was one of the earliest mover in introducing CSR policies. Already in 1993, the Minister of Social Affairs introduced It concerns us all. In 2000, the Danish government approached CSR from economy policy aspect, instead of previous labour market policy, with a focus on competitiveness and strategic CSR. The Danish government has been involved, compared to Sweden and Norway, in launching extensive government-led initiatives. The CSR focus of the Ministry of Economy highlights on industrial policies to improve the Danish companies’ competitiveness internationally (Midttun et. al., 2006). The CSR agenda entered Finland comparatively late, in the 2000. The focus was initially on the employment concerns and domestic aspect. The first government CSR initiative was called MONIKA, and a response to OECD guidelines for MNCs. Later the EU Lisbon Agenda was creating an important framework for the CSR approach by Finland, focusing on innovation and international competitiveness. The government’s policy approach to CSR is mainly driven by the Ministry of Economy and aligned with the business case for CSR, mainly focusing competitiveness, innovation, and promoting and protecting the interests of the Finnish business community (Midttun et al., 2015). Norway was early in their adoption of CSR, in 1998 the stakeholder forum KOMPakt was initiated. However, CSR in Norway has a selective agenda with almost an exclusive focus on non-domestic issues which resulted in that CSR policies aligned with the general Norwegian humanitarian foreign policies. The CSR policies with international focus applies to a large part of the countries since Norway is a small economy with a large export sector. CSR policies became most relevant when operating in developing countries. However, regarding domestic CSR issues, they were excluded both implicitly and explicitly, where other policies seemed more relevant. (Midttun et. al., 2015) The CSR policies in the Swedish government “have a humanitarian, foreign policy-oriented focus, with very few initiatives directed at domestic business operations, and a strong preference for multilateral approaches over national or regional approaches” (Midttun, et. al., 2015, p. 475). The main Swedish CSR initiative was started in 2002, Global
Ansvar, and under the leadership of the Ministry of Foreign Affairs. The approach from the study was that CSR was perceived as an instrument to improve the social and environmental standards and ensure quality when exporting to European countries. It is also to note that the Swedish government started later and after soon losing momentum decided that the business community could manage without assistance from government. CSR is mainly seen as a relevant policy instrument when there is not legal framework. The focus of CSR from the government’s perspective is the ethical reason to improve conditions abroad in developing countries, and not so much the interest of the business community in Sweden (Midttun et. al., 2015).

3.1.1 The Nordic welfare state

The welfare state is assumed to be a crucial component in different national business systems (Whitley, 1998; 1999 in Gjølberg, 2010) and is often defined when government plays a key role to protect and promote economic and social well-being. The main focus areas are the health care, education, economic equality, taxation and post retirement schemes and unemployment benefits (Iqbal and Todi, 2015). On the other hand, Andersen and Roine (2016) discuss that if the model is associated with a certain set of policies, tax rates, benefits etc., then the concept is questionable since these policies have changed over time and differ across the Nordic countries. The concept becomes more well-defined if it is instead defined by a number of broader principles and goals in terms of outcomes (Andersen & Roine, 2016, p. 8). The main importance is the overall packaging (not the individual ingredients) that impact the final outcome, and a crucial aspect is the complementarity between policies and institutions. In the Nordic approach, the main importance is the overarching objectives. The goals, “such as equal opportunities in life regardless family background, the eradication of poverty, gender equality, the lowering of income inequality, etc. - as well as some principles - such as individually based universal rights to things such as health care and education, well-organized labour market etc. - have remained largely stable, while the specific policies and instruments to reach them differ across time and countries” (Anderssen & Roine, 2016, p. 8-9).

The Nordic countries often have their business systems defined as coordinated market economies, collaborative business systems, social democratic business systems and Nordic capitalism (Hall & Soskice, 2001; Whitley, 1999; Amable 2006 in Gjølberg, 2010). In relation to businesses, in the Nordic welfare state, businesses have the right to maximize profits within the boundaries and regulations that will ensure good working conditions, such as decent wages, workplace democracy, employment and high environmental standards (Midttun et al., 2015). Even if the Nordic countries have a large public sector, followed by a high tax burden, the countries still perform well on economic performance and competitiveness. The taxes provide a social safety net (insurances) and welfare services (education, health and care) and is not fully carried by the individuals. The welfare services provide a basis to equal opportunity. However, the question of the future of the welfare model includes the aspect of competitiveness. Competitiveness often involves the aspect to not deviate from other countries too much. Hence, implying that social models need to converge. However, different institutions and social structures can be a source of comparative advantages (Anderson & Roine, 2016). Compared to other welfare models, the Continental European corporatist-statist regimes and the Anglo-Saxon liberal market regimes instead have decreasing redistributive ambitions compared to the welfare state have active redistribution and focus on universal citizens’ rights. Further, the Mediterranean regime focus more on the family network to ensure their welfare (Ferrera, 1996, in Midttun et al., 2015).
Despite many benefits, there are increasing challenges for the welfare model, such as an aging population, digitalization, education (Andersen & Roine, 2016).

### 3.2 Implications for CSR

With the welfare model present, this can impact CSR differently in the Nordic countries, especially compared to other countries. One aspect is with conflicting or complementing goals. CSR has spilled over from business into politics and two widely different traditions are combined when CSR is included into the welfare states’ public policies. First, the Nordic welfare state emphasis universal rights, high state engagement in the economy and negotiations in labor relationships. On the other hand, the CSR concept is original from the neoliberal, Anglo-American context and emphasis instead voluntarism, corporate discretion and market-based policy solutions. CSR is described as “second best” as it is not a desirable policy alternative to the domestic welfare state policies and to ensure social and environmental standards, the Nordic governments prefer mandatory regulations and negotiated tripartite agreements. The “Nordic model” is the primary policy preference, and the governments use CSR to strengthen the existing welfare state policies (Midttun et al., 2015).

First, many dimensions of the Nordic business systems are conflicting with the business-society model of CSR, especially when it comes to the voluntary dimension, trade unions role and the domestic vs international approach (Gjølberg, 2010). The first aspect that CSR is empowering businesses to address concerns, conflict the with the Nordic countries which address these concerns in the public sphere, and the voluntarily nature of CSR would conflict the collective institutions keeping the companies accountable. The second aspect is that in CSR, the trade unions are considered a stakeholder, however, in the Nordic context, the trade unions have strong influence. The third aspect relates to the Nordic government’s role of being highly normative and have a high international role at addressing sustainable development. This could conflict with the business case for CSR with focus on profit-maximizing. Gjølberg (2010) conclude that the different aspects of the CSR could reflect a transformation from the original definition of CSR to adopt to the Nordic model.

Instead the complementary aspect of CSR relates to the promotion of environmental and social business practices, however the conflict aspect towards CSR is the voluntary dimension and less actors might be involved in the stakeholder approach compared to the democratic corporatist decision making. Further, the similarities within the CSR agenda and the welfare state is the focus to enhance social and environmental business practices, which are a complementarity of goals (Midttun et al. 2015). Another implication is the link to strong CSR performance since welfare states have more and stricter policies and enforcement regarding CSR issues such as environment, labour, discrimination and corruption. The mandatory requirements in the national context might not classify as CSR, however, it might in an international area where the actions are not obligated (Gjølberg, 2010).

One implication of the conflicting and complementing goal is in the international approach of CSR. A study interviewing 65 representatives from ministries, government agencies with CSR responsibility, labor union, employers’ associations and key NGOs show that there is a highly international aspect of CSR in the Nordic countries. None of the governments in the Nordic countries does promote the domestic aspect of CSR and CSR is only relevant for national companies’ operations abroad (Gjølberg, 2010). Sweden and Norway to some degree even state CSR as explicit a non-domestic focus. The countries also frame CSR as global
governance with a normative focus which present a weaker link to the political-economic progress compared to the other Nordic countries (Gjølberg, 2010). On a similar account, Denmark and Finland highlight CSR as a competitive advantage with focus on competitiveness, innovation and growth. CSR in these countries are said to be “to transform and adapt CSR to fit the political-economic challenges of weak growth, unemployment, and supply chain pressure, as well as to fit ideologies of liberalism, competitiveness, and innovation” (Gjølberg, 2010, p. 219). The Nordic welfare state model is replicated abroad to promote social welfare, protection of environment, and economic prosperity in developing countries instead of enhancing the domestic business communities’ interests, especially when operating abroad in the absence of framework that is global and multilateral. The Nordic countries governments emphasises multilateral institutions and initiatives instead of establishing their own (for example UNGC, GRI, OECD guidelines). This conforms well will the Nordic foreign policy which focus on internationalism and support international norm processes and codifying CSR and shows a Modification of CSR which moves from its original definitions as voluntary actions and business discretion (Gjølberg, 2010).

The previous study relates to Midttun et al. (2015) which propose three strategies to promote CSR as a complement to the welfare state agenda. First, the international welfare capitalism model of CSR is to some extent present in all Nordic countries highlight the multilateral solutions and institutions in their CSR policies, rather than establish national initiatives. The conflict with the national welfare state policies leads to promote the socially responsible welfare model in the global market. The second alternative is to compartmentalize CSR to be a competitive advantage internationally. The third aspect is to supplement for CSR, however it is limited and only valid in welfare state crisis (Midttun et al., 2015). This confirms well with the substitution hypothesis for LMEs to adopt CSR as a substitution for government (Jackson & Bartosch, 2016) Further, the international approach from the Nordics can also be confirmed by the high governmental spending to participate in the UNGC. In 2016, 12 countries contributed to the UNGC Trust Fund. Denmark was ranked number 2 ($369,456), followed by Finland at number 3 ($354,497), Sweden was ranked number 5 ($342,779) and Norway number 6 ($228,567) (The UNGC, 2015).

Because of Scandinavian countries’ social democratic welfare states one implications for businesses is a less urgent approach towards CSR and the motivations for CSR as a “social obligation” might be downplayed in corporate strategies. Not only does the role of the state influence by providing social rights (Nordic welfare model compare to Continental, Atlantic and Southern models (Berghmann, 1997 in Morsing et al, 2007)), but also the self-perception of managers which assumes that the company already is socially responsible and the high degree of trust in the civil societies. Also, in comparison to other populations, the Scandinavians have given rise to “Scandinavian management” which encourages flat hierarchies, dialogue, employee involvement and project management (Morsing et al., 2007).

Another aspect that is influential in the Nordic countries is the long tradition of stakeholder engagement and relates to the concept “creating shared value” by combining the interest of both the company and its stakeholders. With the social democracies in Scandinavia embrace stakeholder engagement and resulted in some of the highest level of social and environmental programs (Strand, Freeman & Hockerts, 2014; Strand & Freeman, 2012). Strand and Freeman (2012) promote a “Scandinavian cooperative advantage”, with the focus to move from a competitive advantage to a cooperative advantage for value creation, is further defined

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6 Porter and Kramer (2011) See more in Strand et. al. (2014).
as “the general tendency for companies in a Scandinavian context to implement a value creating strategy based on cooperating with their stakeholders that results in superior value creation for the companies and their stakeholders” (Strand & Freeman, 2012, p. 81) The cooperation might stem from that the Scandinavian countries are among the most feminine cultures which is described as the people consider the quality of life, being modest, tender and resolve conflict through negotiation and compromise. Cooperation and trust-building between stakeholders is positive and encouraged. These cultures are argued to intuitively have stronger CSR performance than masculine cultures defined by being assertive, tough, have material success and focus on competition (Strand et. al., 2012). The Nordic approach towards CSR might show tendency for high cooperation between various stakeholders, not only relating to the tripartite actors.

Regarding cross-country differences, Gjølberg (2009b) did a study that tested what might impact companies high CSR performance. To see further implications of the welfare state on businesses, with cross-national differences and reference to CPE, Gjølberg (2009b) test an institutionalist hypothesis, which focus on the national legal, social and political institutions impact and influence the economy. The concept comparative institutional advantage is used to analyze CSR performance and which institutions that give rise to a comparative advantage. The hypothesis use the variables: strength of welfare state, corporatism and political culture. A strong welfare state is proposed to have policies that indirect and direct impact companies to reach in higher standards, hence easier to qualify for CSR performance globally due to the adoption to the institutional environment. Corporatism refers to how the tripartite arrangements in countries with high corporatism increase the CSR performance, where a platform for dialogue are provided to balance profit with stakeholder expectations (Gjølberg, 2009b). However, deregulation might challenge corporatism (Matten & Moon, 2008) and include less stakeholders in the debate. Further, the political culture refers to how NGOs, journalism awareness of consumers and a public debate can create stronger incentives for companies to engage in CSR. The results show that the Nordic countries are CSR leaders and the variable welfare state (environmental policies) does not give a clear explanation for the CSR leaders. The corporatism (measured by corporatist integration) gives strong results as well as political culture. Concluding, a configuration of strong institutions using the three variables mentioned previously which indicates that overall strong institutions correlates well with that the Nordic countries, together with the Netherlands and Switzerland. However, the results are inconsistent explaining Austria, UK, Australia and Canada (Gjølberg, 2009b). To further see the impact of globalisation, Gjølberg (2009b) test a globalist hypothesis to see the influence of the globalization on CSR. The implications are that globalized companies are most concerned with CSR, and the proportion of CSR companies is proportional to the country’s global companies. The hypothesis is using FDIs and proportion of MNCs as main variables. The results do not give any clear results, especially for the Nordic countries. The study show that all countries with high scores on CSR does not particularly have a large amount of TNCs, especially the Nordics. Concluding, the combined “globalisation” variables does not either indicate a clear explanation. Switzerland, The Netherlands, UK and to some degree Sweden, can be explained. However, the rest of the Nordic countries perform well on CSR but not on the globalisation variables. This rather indicates the importance of the institutions in CSR success and that the strong social embeddedness of corporate behaviour gives the Nordic countries a different set of expectations and resources for increasing CSR

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7 Original from Midttun et al, 2006 (Gjølberg, 2009).
8 Mainly used in relation to innovation and economic performance.
9 Tripartite arrangements involve business, labour and state.
(Gjølberg, 2009b). Regarding globalisation, Berliner and Prakash (2015) also consider the mimic behaviour of firms in the same industry when joining voluntary initiatives. If firms in the same sector join a MSIs (here UNGC), both in the US and in countries close to US, both economically and geographically it increases the mimetic pressure to join the initiative despite the financial cost and benefit calculus (Berliner & Prakash, 2015).

3.3 The research questions

The previous introduction to the Nordic countries and the welfare state model indicate distinctive similarities towards CSR. The point of departure for our research question stems from the four following studies. The following four studies show the cross-country differences in CSR and MSIs participation, however, it does not indicate what factors on a more detailed firm-level that impact CSR and participation in international institutions, hence, what influence the different nations’ CSR; and how significant is the international institutions in this context.

3.3.1 Is there a distinctive Nordic model?

The first study, briefly mentioned before, discuss cross-country differences in CSR. Jackson and Bartosch (2016) studied cross-country performance in a CSR Index (constructed from the ASSET4 database from Thomas Reuters) and average score between 2008 and 2013 in 24 OECD countries. The companies are stock-exchange listed companies measuring their indicators on adopted policies, practices and related outcomes. The CSR Index show the company’s overall activities as a percentage of all possible activities (100%). The study also selected six institutional variables related to CPE; corporate governance, interfirn relations, employment relations, education as well as state activity and civil society. The results show that the Nordic countries are more in the middle (Finland 7, Sweden 9, Denmark 10 and Norway 11). France and the UK is performing best, and the lowest score has New Zealand, Ireland, Greece and Mexico. However, most of the results show comparison with Germany as a reference country. Since the results show clear cross-country differences, however not in the groups of LMEs and CMEs, the study further explores the effects on a disaggregated way. Significant institutional influences on their CSR Index are disclosure requirements, codetermination in boards, union density, employment protection, works council rights, collective bargaining coverage, social spending and a negative effect on regulation of competition. The study further look in depth at the institutional influences on community, diversity and human rights. Final conclusion is that the influence of institutions differs on different dimensions of CSR. Another aspect is that both the state and institutionalized coordinated influence CSR. Stakeholder involvement is also likely to not only promote responsible business practice, but also to prevent irresponsible business practice. Low levels of product market regulation are associated with high scores, as well as low scores (Jackson & Bartosch, 2016). Despite that this gives an overview of the company’s CSR action and test for certain national influences and indicate some variable that impact CSR, it does not indicate many specifically firm-specific factors and neither the influence of international institutions. Rasche et al. (2018) studied firm-specific factors that impact the company's (dis)engagement with MSIs on a global level, however, one cannot distinguish the cross-country differences. This study will test for cross-country differences, with the assumption of a Nordic similarity from the perspective of firm-specific factors.
3.3.2 What role does MSI play?

The third study, also briefly mentioned before, discuss the cross-country differences in participation in MSIs and CSR rankings. Gjølberg (2009a) constructed an index of CSR performance to contribute with a comparative and structural framework to analyze CSR. The motivation emerged from the awareness of the impact of the national context on CSR. CSR, in this index, is measured from corporate adoption, qualification and membership in different CSR initiatives and rankings. Nine initiatives and 20 countries was chosen and the scores weighed with the overall member companies in the initiative as well as corrected and weighed by the GDP in the nation with the total GDP of all the other 20 nations. The index represents over- or under-representation of CSR performance from company-level data to give an overall national score. One limitation of the CSR index according to Gjølberg (2009a) is the ability to correct for various variables, such as company size, annual turnover, number of employees, national industry structures. Large companies might have more resources to engage in CSR and the industry structure might influence because of the different responsibility aspects the different markets and industries are exposed too. The overall results indicate that the Nordic countries are at the top 5. Further results show a strong performance of Switzerland (high portion of TNCs), Nordic countries (strong commitment to international CSR agenda), UK and Netherlands (innovative CSR policies and trendsetters). The high performance of Spain, France and Japan was surprising, as well as the low score from Germany (known front-runners in environmental) and the US (explicit CSR). To get a more in depth view the data was divided into two subgroups: hard requirements\textsuperscript{10} and soft requirements\textsuperscript{11} with two approaches: results oriented\textsuperscript{12} and process oriented\textsuperscript{13}. In the most demanding CSR initiatives the Nordic countries performed, 3, 4, 5 and 7. In the least demanding CSR initiative, UNGC and GRI, the Nordic countries performed 2, 3, 7 and 8. Interesting notation is that the top performances in most demanding initiative (UK, Netherlands, Australia, Canada, Japan) received a negative score on UNGC performance. The main conclusion is that there is big variety between CSR performance between the nations. She finds the statement Matten and Moon (2008) contradicting her results such as they give the Nordic countries high scores on CSR which indicates explicit CSR, and US low scores which might indicate implicit CSR. The explanation could be how the institutional advantage in the Nordic countries might also give an advantage for explicit CSR. Finally, she concludes that differences in CSR performance may not base on higher moral standards and ethical factors as such, but more likely on likelihood of naming and shaming and the national context (Gjølberg, 2009a). However, this study does not indicate the actual CSR actions by the firms and cannot say that the firms’ participation in the UNGC initiative is correlated with national or international institutions.

One might find answer to the question in the fourth study related to how the national differences gives different outcomes towards CSR. This combines the first and the third study. The results show the competitive advantage that the Nordic institutions have for working with CSR. Comparing an “old embeddedness” with the “new embeddedness”, the Midttun et al (2006) find that the Nordic countries have among the most socially embedded socio-political models. The study compare the models in the Nordic countries, with Anglo Saxons (UK, Ireland, USA), Mediterraneans (Spain, Italy, Portugal, Greece), Continentals 1

\textsuperscript{10} Performance limit.
\textsuperscript{11} No lower performance limit.
\textsuperscript{12} CSR achievements need to be documents.
\textsuperscript{13} CSR is approached through learning and continuous improvements.
(Austria, Switzerland) and Continental 2 (Belgium, Germany, France). “Old embeddedness” is measured by welfare-state-social corporatism and the political economy, and alongside the increase in CSR, with stronger agenda and more focus on business-regulation, the variable “new embeddedness” is measured by CSR engagement in four CSR indicators at an international level. The Nordic countries position themselves as the lead of Western European CSR since they rank high on all the indicators. The results show that the Nordic countries score high on both old and new embeddedness whereas Anglo-Saxon countries score low on both. This confirms their first hypothesis of symmetric embeddedness and positive correlation between old and new embeddedness. The second hypothesis is not confirmed which state that old embeddedness is implicit and new embeddedness is explicit (Midttun et al., 2016). However, there is still unclarity of the correlation of CSR actions and high CSR performance might be influenced by UNGC in the Nordic countries. The correlation between the two, high CSR and high participation in UNGC, is interesting to investigate since we might get an understanding if international institutions are influencing the company's CSR actions, or if the welfare state is more influential. For example, when high score of CSR actions has UNGC significant, it might indicate an importance of international institutions, and on the other hand, high score of CSR and non-significant result of UNGC instead indicates more influences from national institutions for CSR.

This research will build on the four previous studies mentioned above. First, distinguish the cross-country differences for CSR and how the firm-specific factors might differ and qualify a Nordic model. Second, the cross-country differences for MSIs will be discussed in the participation and the significant impact that the MSI will have on the companies’ CSR. The expectation is to gain an understanding of the Nordic companies CSR and the role of the UNGC.
4. Methodology

4.1 Methodology framework

The purpose of this research is to get an understanding if there is a distinctive Nordic approach towards CSR and MSI. The aim is to isolate a Nordic business approach to corporate responsibility, through study their CSR actions and the participation and value of UNGC to influence their CSR. The actions will be analysed and compared with other OECD countries to conclude a Nordic approach.

The study has chosen a quantitative approach, defined broadly as the collection and analysis of data and takes a deductive approach with the relationship between theory (Bryman, 2012). Quantitative method will allow the researcher to gather a large sample of data from firms in the Nordic countries to generalize results and apply them to the previous theory. The quantitative data, gathered from the UNGC’s The Implementation Survey in 2017 and their membership database, will analyze the data through statistical methods in forms of diagram, tables and ordinary least squares (OLS). In this research, quantitative data is preferred over qualitative data due to the time constraints and the large sample of data which can be gathered in a short period of time. In spite the fact that qualitative data would gain valuable understanding of motivations and reasonings behind the answers, this research aims to get an overview of the overall approach from the Nordic firms compared to the other OECD countries.

4.2 Description of datasets

The first dataset is collected through an online questionnaire, The Annual UN Global Compact Implementation Survey (further referred to as Implementation Survey), sent out from the UNGC Office in New York in May 2017 to all members in the UNGC. The survey was open between the 15th of May to the 30th of June 2017. The survey was sent out in English, French, Spanish and Chinese and answers are treated with strict confidence. The questionnaire has 7 sections, including management and governance, implementing the Ten Principles, contribution to the SDGs, local networks, sustainability reporting, assessment and progress of the UNGC and concluding with basic company information The Implementation Survey can be found in Appendix C. The dependent variables extracted from this questionnaire are the actions regarding corporate responsibility in 5 areas: overall CSR and the four focus areas and used to establish a Nordic approach.

A second dataset was collected from the UN Global Office in New York (further referred to as the membership database) to get an overview of all the members in the UNGC in the OECD countries. The membership database was extracted from the UNGC database in May 2018\textsuperscript{14}. This dataset will mainly be used to give an overview of the members in UNGC and compare with the respondents from the Implementation Survey to ensure a valid sample size.

There is a global reach with the UNGC, the largest MSI and over 9,400\textsuperscript{15} business participants. The participants choose themselves to voluntarily be part of the UNGC.

\textsuperscript{14} 04.05.2018
\textsuperscript{15} In 2017
However, the businesses can be encouraged by other businesses they work with and/or to achieve social legitimacy. The global reach is an advantage of analysing the chosen datasets. The initiative includes many different companies from various sectors without any pre-requirements to join. This ensures a variety of companies to participate without any necessarily high level of CSR in the beginning. The membership database has been used in previous studies, however not the Implementation Survey to compare companies’ cross-country CSR actions. One limitation is the respondents rate which is a small sample of companies within one MSI. Concluding, despite the limitations, the dataset will help us isolate to a large extent the Nordic firms (n=186) approach towards CSR and the UNGC, and compare with a large amount of OECD countries (n=963).

4.3 Descriptive statistics and sample selection

4.3.1 The Implementation Survey

The online questionnaire sent out 15th of May to 30th of June 2017. First, all the countries with 10 or below companies answering the survey was removed. This to ensure a more valid representation for the countries. There were also two countries removed that did not have any company answering the survey at all. This result in 1149 companies in the OECD countries, were 186 companies are from the Nordic countries. A global overview of the survey can be found in the UNGC Progress Report 2017 (UNGC Progress Report, 2017) and an overview of the chosen countries for this research in Table 3 (Appendix A).

The main sectors in the Nordic countries are industrials, followed by other, financials, consumer’s goods and consumer services (Figure 1 and 2). Sweden has most companies within industrials, financials and other. Norway has also most companies in industrials and other. Finland has most companies in consumer goods, followed by equal share in telecommunications, industrials, health care, other and financials. Denmark has most companies in industrials, followed by consumer goods, consumer services and other. Compared to the Nordic countries, the OECD countries have more companies represented in basic materials and other (Figure 3).

Regarding employees, the overall Nordic countries (Figure 4 and 5) have most representative in group 2 (40%) compared to OECD (28%) (Figure 6). However, the OECD has more companies in group 4 (largest) compared to the Nordic countries. Compared to the OECD countries (39%), the Nordic countries (Figure 7 and 8) have more companies not involved in a LN (60%), and the OECD countries higher share of companies involved in a LN (48% vs 36%) (Figure 9).

The Nordic countries share a similar joining percentage the first years of the UNGC (Figure 10). However, from 2015 and onwards, Finland and Norway has increased in percentage of companies joining the UNGC. In 2016, there was a peak in joining the UNGC both for the Nordic countries and the OECD countries (Figure 11). The conclusion is that many companies answering the survey has joined later, 2008-2013, with a majority in 2014-2016 for both the Nordic and the OECD countries.

Regarding the company status, all the Nordic countries have most company being privately held, with Denmark the highest percentage (Figure 12). Similar with the overall OECD countries (Figure 13), the OECD have higher share of privately held companies compared
with the Nordic average. Compared to the publicly listed companies, the Nordic countries have as an average higher percentage than the OECD countries. Portugal and Chile has high percentage of fully state-owned companies, 23% respectively 14%. Canada (62%), Japan (62%), Netherlands (42%), Switzerland (41%) and the USA (39%) has highest level of publicly traded companies. Turkey (92%), Belgium (87%), Spain (87%), Mexico (80%) and the UK (79%) has the highest percentage of companies privately owned.

Further, an overview of the Nordic countries and OECD countries’ CSR and UNGC actions show that both groups have 90+% policies and practices in place relating to the different areas. For a detailed overview of the companies’ CSR actions can be found in Appendix B. With the overall CSR actions does the Nordic countries perform slightly higher on almost all areas (Figure 14 and 15). However, there is large variety within the Nordic countries as well. There are also country differences in actions taken in the different UNGC areas (Figure 16). The Nordic countries have higher in average on HR, EN and AC compared to the OECD that score higher on LR (Figure 17).

The influence from UNGC is quite similar within the Nordic countries (Figure 18), and the Nordic average is equal or below the OECD countries score (Figure 19). For the Nordic countries, the UNGC’s impact on the company’s vision score the lowest (3,0) and the highest is on implementing and reporting (3,6). For the OECD countries, the highest influence is on advancing other UN goals (3,8), and lowest on overall impact on advancing policies and practices (3,1). Regarding the UNGC value in HR, LR, EN and AC also varies between the Nordic countries (Figure 20). The results are quite similar to the OECD countries, but an equal of higher value than the Nordic countries (Figure 21).

In management and governance of the company, there is some differences between the Nordic countries (Figure 22), and compared to the OECD countries (Figure 23), most have CEO as the most common management to involve in evaluate and implement CSR. Followed, the Nordic countries have the Board of Directors and the OECD the Senior Management.

Since only an average of 65% of companies answering the survey in the Nordic countries and 72% of the OECD countries indicate actions towards the SDGs (Figure 24), these variables will unfortunately not be used in the regressions, only descriptive. Finland show high percentage on almost all areas, however this is because they have the highest percentage of companies working with the SDGs. Regarding the topics SDGs, there are a country differences between the Nordic countries (Figure 25) depending on chosen SDG and to what extent, however this might depend on the sector the company is present in. Overall, the shape is quite similar between the Nordic and the OECD countries indicating the most important SDGs (Figure 26). However, to what extent the different countries work with the SDGs differ.

### 4.3.2 Membership database

The membership database will mainly be used in the overview of UNGC size and over and under-representation between the countries. Overall, the database has 14,252\(^\text{16}\) members registered in the OECD countries. First, the company registered as Active and Non-communicating will be used in the analysis and not the company registered as Delisted.
Active companies have submitted their mandatory Communication on Progress (COP) (or Communication on Engagement, COE, for non-business participants). Non-communicating are members who have not submitted their COP (COE) in time, a company can be registered as non-communicating for 12 months (24 months for non-businesses) before being Delisted. Delisted are companies which has failed to submit their COP (COE) and/or are not registered with UNGC anymore. However, all the companies joining the UNGC after 15th of May 2017 was not included in the presentation because they did not receive the survey. This is to get a valid sample to compare with the respondents from the survey \((n=1059)\). This resulted in a total of 6553 members in the OECD countries. Further, the participants were divided into business and non-business participants \((n=1272)\), and finally all countries with respondents’ rate with 10 or lower, was removed. There is a total of 5072 business participants in all the OECD countries up to 15th of May.

### 4.3.3 Respondent rate

The membership database was also used to get an overview of the respondents’ rate for the Implementation Survey. When comparing the results there must be an awareness to the differences between the survey answers and membership database. The respondent rate in the survey is quite similar between the countries in the Nordics compare to Sweden with slightly higher percentage (Figure 27). However, the average of the Nordic countries is higher than the average of the OECD. The sample size of the Nordic countries is quite representative from the overall UNGC membership database (Figure 28, 29 and 30). However, there is still also country differences within the Nordic countries.

![Figure 27. Respondent rate of the companies in the survey compared with total number of members in the UNGC in the Nordic and OECD companies.](image)

The Nordic countries joining the UNGC of total members has a similar trend as the sample size from 2000-2010 (Figure 31). Compared to the OECD (Figure 32), there is an interesting trend in the different countries. Portugal had a high increase in 2004 and 2013, Korea had a high trend of new companies in 2007 and Greece had a most of their companies joining UNGC (almost 43%) in 2008. Many countries had an increase in 2016, with most companies from Italy and Belgium. The OECD compared to the overall Nordic countries have a similar increasing trend. However, from both the Nordics and OECD (Figure 33), there is most
companies joining in 2015-2016, 5% above average. Further, there is a lower representation from companies in 2007-2011 in the OECD and 2009-2013 in the Nordics.

4.3.4 UNGC and GDP

First, an overview of what role international institutions play will be made by comparing the countries participation in the UNGC. The membership database was used and all the participant in UNGC (Delisted removed) up to 31.12.2017 was included (n=7195). 5279 companies had indicated their revenue, however the 1916 that did not mention their revenue was automatically placed in the lowest revenue bracket. The average of the company’s revenue choice (of the 4 different revenue brackets: less than 50 USD million, 50-250 USD million, 250-1000 USD million, 1000-5000 USD million, over 5000 USD million) was summarized (Figure 34) and compared with the country’s GDP. The GDP for 2017 was in nominal US million dollars and collected from the OECD’s website. The countries used in the comparison is the 22 countries used in this study (Table 3, Appendix A). The UNGC total revenue in the economy will be divided with the countries overall GDP. However, one limitations are the approximate of the company’s revenue. Also, the sample are not weighted against the size of the company and the international presence.

\[
\frac{\text{Sum of all copmanies average in country } A}{\text{GDP in country } A} = \text{ approximate share in the economy}
\]

The results show that the Nordic companies in the UNGC have a larger share of the revenue in the economy compared to the rest of the OECD countries (Figure 35 and 36). Overall, France, Germany, Mexico, Spain and the US have a large amount of companies, however are also large economies. Many of the companies are large companies with revenue 1-5 to over 5 billion USD, except Mexico and Spain which have a large amount of smaller companies.

![Figure 35. Approximate share of the UNGC in the different economies 2017.](image-url)
Second, Gjølberg (2010) used a calculation to measure the over and under representation of the companies in a CSR index aim to measure CSR performance. The study was performed in 2010 and this study will perform an updated version, only using membership in UNGC. Since the UNGC participation is described with soft requirements and process-oriented, hence cannot say anything about the CSR actions and performance. This instead indicates the value and importance of UNGC in the overall economy.

First the share of companies in the differences countries was calculated (Figure 37). The companies in one country was divided with the companies in all the OECD countries. Second, the share of the companies is weighed with the GDP in the countries to since the economies in the OECD varies in size. The GDP is divided with the GDP in all the OECD countries. Finally, the share of companies is divided with the share of the GDP. The GDP is in current USD million and derived from OECD website. The perfect proportion between companies in the UNGC relative to economies size would give the results of 1. All companies above 1 is categorized as over represented, and below 1 is categorized as underrepresented.

\[
\frac{\text{Number of companies in UNGC from country } A}{\text{Total number of companies in UNGC in the 22 countries}} \times \frac{\text{GDP in country } A}{\text{Total GDP in all 22 countries}} = \text{The ratio of country } A
\]

The results indicate that the Nordic countries are well over represented in the UNGC in the OECD (Figure 38). Denmark has the highest representation, followed by Spain and Sweden. France is ranked number 4, followed Norway and Finland. Mexico, Switzerland and Greece is also quite well over represented. The under representative countries in UNGC is the USA, Canada, Japan, Italy and Germany. Gjølberg’s study about UNGC and GRI showed that Spain was ranked number 1, followed by Finland, Sweden, Portugal, Switzerland, France, Denmark, Norway and Australia. USA and Japan have still the highest under representative score.

![Figure 38. The over- and under-representation of companies in the UNGC 2017.](image)
4.4 Econometric model

The two models that were used to study the Nordic countries’ approach towards CSR and the influence of UNGC are presented below:

CSR actions:
\[ Y_1 = \alpha + \beta_1 \text{influence} + \beta_3 \text{size} + \beta_5 \text{year} + \beta_7 \text{board} + \beta_9 \text{LN} + \beta_{11} \text{SR} + \beta_{13} D_1 + \beta_{15} D_3 + \beta_{17} D_5 + \varepsilon \]

UNGC actions:
\[ Y_2 = \alpha + \beta_2 \text{influence} + \beta_4 \text{size} + \beta_6 \text{year} + \beta_8 \text{board} + \beta_{10} \text{LN} + \beta_{12} \text{SR} + \beta_{14} D_2 + \beta_{16} D_4 + \beta_{18} D_6 + \varepsilon \]

Where the dependent variables \( Y_1 \) is the CSR actions and \( Y_2 \) is UNGC actions. \( \alpha \) is the intercept and \( \beta_1 \) and \( \beta_2 \) is the independent variable, the influence of UNGC. \( \beta_3 \) and \( \beta_4 \) represent the size of the company measured in number of employees, \( \beta_5 \) and \( \beta_6 \) represent early or late adopter of UNGC, \( \beta_7 \) and \( \beta_8 \) is board of director’s involvement, \( \beta_9 \) and \( \beta_{10} \) participation in a LN and lastly \( \beta_{11} \) and \( \beta_{12} \) SR. All these variables are expected to have an influence on the companies’ CSR actions and might also differ between countries. The three dummy variable, \( \beta_{13} \) \( D_1 \) and \( \beta_{14} \) \( D_2 \) is company status, \( \beta_{15} \) \( D_3 \) and \( \beta_{16} \) \( D_4 \) is sector and \( \beta_{17} \) \( D_5 \) and \( \beta_{18} \) \( D_6 \) is country and control for heterogeneity between different sectors and countries.

This research will conduct linear regressions using OLS to estimate what impact the companies CSR actions. Using robust standard errors will help to correct for heteroscedasticity when using OLS. There will be five regressions, hence five dependent variables: the overall CSR actions and actions in the UNGC’s four areas (HR, LR, EN, AC). The independent variables, the influence of the UNGC, is highly correlated with all the other actions and that motives separate models for HR, LR, EN and AC to avoid multicollinearity. The two models will be performed twice, one for the Nordic countries and one for the OECD countries. We also test for country effects twice, one for Finland (n=16) and Norway (n=23) which has a small number of companies participating. With Denmark (n=78) and Sweden (n=69) there were some small differences, however, a larger sample selection of companies would be preferable to draw any sure conclusions of the country differences within the Nordic countries. A summary of the statistics for all the variables in the 22 countries in Table 5.
4.5 Explanation of variables

An overview of all the variables can be found in Table 6 (Appendix A) and the expected outcome of the variable in Table 7. The dependent variable, overall CSR actions, are measured as the total of 7 CSR actions that the company take to embed corporate responsibility throughout its strategies and operations. This will give the company a total number between 0 (no actions as all) to 7 (taken actions on all areas). The motivations for the 7 actions are the importance of them for a more integrated corporate sustainability. However, all the actions will be analysed, but only 7 used in the regression. The other dependent variable, UNGC actions, are measured by how the companies take the Ten Principles into account in policies and practices, and focus on all the four focus areas of UNGC individually: HR, LR, EN and AC. There are 5 chosen actions that the company can undertake which gives the company a score between 0 (no actions) to 5 (all actions taken). This is given a total score for each company in each of the 4 areas. The actions chosen are expected to increase CSR performance and ensure a corporate responsible company. The actions not chosen within the area are individual to the topic, not highly necessary for CSR or complementing other actions.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR actions</td>
<td>Total amount of CSR actions in one company</td>
<td>3.433</td>
<td>2.117</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>UNGC actions, HR</td>
<td>Total amount of HR actions in one company</td>
<td>1.441</td>
<td>1.445</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, LR</td>
<td>Total amount of LR actions in one company</td>
<td>2.293</td>
<td>1.593</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, EN</td>
<td>Total amount of EN actions in one company</td>
<td>2.823</td>
<td>1.748</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, AC</td>
<td>Total amount of AC actions in one company</td>
<td>1.781</td>
<td>1.687</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Total score from one company of UNGC’s overall influence</td>
<td>3.088</td>
<td>0.834</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>HR influence</td>
<td>Total score of UNGC influence on HR</td>
<td>3.138</td>
<td>1.012</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>LR influence</td>
<td>Total score of UNGC influence on LR</td>
<td>2.901</td>
<td>0.998</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>EN influence</td>
<td>Total score of UNGC influence on EN</td>
<td>2.987</td>
<td>0.991</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>AC influence</td>
<td>Total score of UNGC influence on AC</td>
<td>2.952</td>
<td>1.064</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 5. Summary statistics.
The independent variable, UNGC influence, is defined as to what extent the UNGC has influenced the work in the different areas and help advance corporate responsibility policies and/or practices within the company. This is measured through a ranking from 1 (no impact) to 5 (advancement would not have happened without being a participant). The specific influence the UNGC has had in the four focus areas is also measured through a ranking to what extent the UNGC has influenced the companies, from 1 (none/no impact) to 5 (essential/advancement would not have happened without being a participant).

The employees in the company are categorized into five groups (labelled): 10-249 (1), 250-4,999 (2), 5,000-50,000 (3) and 50,000+ (4) employees. The group that has 0-9 employees stated will be grouped in group 1. CSR is often associated with larger companies because they have a high profile, more media attention, more resources (Smith, 2013)

Year joining the UNGC is indicated as a number for early or late adopters with 2008 as a defining year (Rasche et al., 2018). The companies joining UNGC before 2008 are given a 1, and after 2008 a 2. Companies that have been part of UNGC longer are expected to be more experienced, maybe even larger, and have more CSR actions. On the other hand, results have shown that early adopters are leaving UNGC (Rasche et al., 2018).

The board of directors variable is indicating if the company has the board of directors to develop and/or evaluate corporate responsibility policies and strategies. This is measured by yes (1) or no (0) and expected to have a positive impact on the CSR actions and high in the Nordic countries. The board of directors are increasingly aware of the strategic aspect of sustainability, whereas the board is increasingly considering sustainability as part of their responsibility (Cramer, 2011).

The local network is measured by a 1 if the company is part of a local network and a 0 if they are not or unsure. LNIs are assumed to impact CSR actions positively as the UNGC has established LNIs to help companies implement the Ten Principles.

SR is measured with a 1 if the company is reporting on their sustainability efforts and 0 if they are not. Despite of the CSR actions mentioned include the aspect of monitor and evaluate CSR performance, the aspect if the company report on their CSR actions are expected to have a positive impact on the companies CSR actions. One aspect is the mandatory reporting rules from the European Union. The EU law require large companies to publish reports on non-financial information, including social and environmental impacts of the company’s activities (EU Commission, 2018).

The dummies in these regressions are company status, sector and country. The company status refers to if the company is privately owned, publicly listed, partially or fully state-owned company and other company type. Publicly listed companies are expected to have higher degree of CSR because they are more visible and viewed by various stakeholders (Rasche et al., 2018). Further, the importance of CSR in state-owned and privately owned companies are interested to view. There are also 11 sector to control for and this will be used to mainly get the variation in sectors on CSR. Similar with the country variable, it will mainly see the variation between countries and not the country per se. However, with a larger data sample country specific regressions would be suggested for further research.
4.6 Validity and reliability

The validity of this study is the performed regression testing the company’s corporate responsibility action and what might correlate with higher actions. The aim is to see if there are cross-national differences, mainly between the Nordic and the OECD countries. The reliability refers to the consistency of measures and that the research measure in a reliable way (Bryman, 2012). The model used and variables chosen has aimed to test the effects on CSR actions in a reliable way and chosen variables with care. The challenge was a large dataset and choose the relevant variable for answering the research question. The country-specific effects were tested for, but this vary and could have different impact on corporate responsibility actions. However, the CSR and UNGC actions are established through an own calculation and score using relevant actions. Further, the models do not test for more firm-specific effects.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Expected sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR actions</td>
<td>Total amount of CSR actions in one company</td>
<td>+</td>
</tr>
<tr>
<td>UNGC actions</td>
<td>Total amount of HR, LR, EN, AC actions in one company</td>
<td>+</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Total score from one company of UNGC’s overall influence</td>
<td>+/-</td>
</tr>
<tr>
<td>Size employees</td>
<td>Number of employees in the company, groups</td>
<td>+</td>
</tr>
<tr>
<td>Year joining UNGC</td>
<td>Year company became member of UNGC, early or late adopter</td>
<td>-</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Board of Directors implement and evaluate CSR policies and practices</td>
<td>+</td>
</tr>
<tr>
<td>Local Network</td>
<td>The company’s participation in a Local Network</td>
<td>+</td>
</tr>
<tr>
<td>Sustainability Reporting</td>
<td>The company report on their sustainability</td>
<td>+</td>
</tr>
<tr>
<td>Status</td>
<td>The company’s status</td>
<td>+/-</td>
</tr>
<tr>
<td>Sector</td>
<td>The sector the company is active in</td>
<td>+/-</td>
</tr>
</tbody>
</table>

*Table 7. Expected outcome.*
5. Empirical analysis

The following chapter presents the results from the model described in previous chapter. The results can be found in Table 8 (Appendix A). The results are connected to previous studies and the research questions.

5.1 Is there a distinctive Nordic approach towards CSR?

CSR and UNGC actions
Overall CSR actions in the Nordic countries are slightly higher than the OECD countries confirming the high performance in corporate responsibility in the Nordic countries (Figure 14-15). When analysing in depth, the Nordic approach is mainly focusing on monitoring and evaluating, integrate into corporate functions and business unit strategies which indicates towards an integrative approach of CSR. Further, the Nordic countries also highly value an explicit approach by indicating the importance of reflecting values in code of conduct and publicly communicate CSR (92%). This is contrasting to the OECD countries, that still has publicly communicate CSR as the highest CSR actions (81%), followed by incorporate visions and goals and reflect values. OECD countries, however, takes an even more explicit approach since they do not score high on integration, but instead on explicit actions.

Interesting notation is that the Nordic countries communicate more than the OECD countries. This contrast the theory which state that the Nordic countries are expected to have implicit CSR, and could instead confirm the rise of explicit CSR in Europe (Matten & Moon, 2008). Another explanation could be the NBS of the Nordic countries that give a comparative advantage on CSR (Jackson & Bartosch, 2016; Gjølberg, 2009b), or the mandatory reporting on non-financial information.

The UNGC actions, especially the score on the HR and LR show interesting results (figure 16 and 17). First, the Nordic countries could be assumed to perform well on these topics which might be surprising of the low score on actions (30% and 40%) compared to policies (94% and 95%). This can take two interpretations. First, the companies do not need to undertake these actions nationally due to the welfare state already covering this, hence low performance. Second, the companies need to ensure HR and LR when operating abroad and still have challenge to perform in these areas.

On that account, the Nordic countries performance on the SDGs show similar patterns throughout the Nordic countries overall (not just companies), with quite lower score on SDG 2 (poverty), 12 (consumption and production), 14 (water) and 15 (land). 3 (health), 4 (education), 5 (equality), 6 (water) and 7 (energy), as well as 11 (sustainable communities) and 17 (partnerships) show high score (Figure 39). Comparing this to the Nordic companies (Figure 25 and 26), they do not approach the SDG 1-2, 10 (reduce inequality), 11 (sustainable cities) and 16 (AC) which might indicate that the NBS is creating both an implicit approach to those areas and competitive advantage from the NBS. SDG 13 (climate change) is the only goal where the Nordic countries perform higher (despite fewer companies working with the SDGs). This confirms the high performance on EN in Ten Principles. To compare the company's actions on the SDGs, the companies in the OECD countries, show even higher performance on health, equality and education compared to the Nordic (Figure 26). These are areas where the welfare model is expected to contribute (Anderson & Roine, 2016). This is confirmed when the overview of the SDG performance in the OECD countries (Figure 40 and
The OECD countries perform less than the Nordic countries, but the companies in the OECD take more actions than the Nordic companies on the SDGs (Figure 26 and 41).

Regarding the NBS, there is indication that this is still impacting the Nordic companies when it comes to the high performance in overall CSR actions, mirroring hypothesis as the Nordic countries are assumed to be an CME (Jackson & Bartosch, 2016) and symmetric embeddedness (Midttun et al., 2006). Further, the low performance in HR and LR might show the presence of the NBS, since the welfare model are assumed to cover specific these areas (Anderson & Roine, 2016). Another aspect is that the companies already are considering themselves as being responsible and taken a less “social obligation” (Morsing et al., 2007). However, it is challenged in the regards of the more explicit approach towards CSR that the Nordic countries have indicated (Matten & Moon, 2008; Maignan, 2002). Explicit approach has been rising in Europe, the question is whether this stems from changes in the European NBS, or more convergence towards international institutions? The low score on HR and LR might instead be because of the NBS, and the of size of the company as well. The significance of number of employees might indicate that the larger companies (probably more international) the more CSR actions the company undertakes. This is true for all CSR actions, both in the Nordic and OECD countries. Interesting notation is the high score on EN for the Nordic countries. The welfare state variable in Gjølberg’s study (2009b) measured in environmental standards are not assumed to correlate with Nordic companies CSR performance, and here, the international institutions in form of UNGC is not influencing the Nordic companies either, rather negative. This leaves us questioning what actually influence the Nordic companies CSR performance regarding EN, if neither national nor international institutions influence. Regarding the AC principles, surprising notation is that the companies in the Nordic countries does not take more action on the AC. The Nordic countries top Corruption Perceptron Index and the country perform quite high on SDG 16 (peaceful society). It could be that the NBS is present, however, one would expect that if the Nordic countries have an international approach with CSR, extending welfare capitalism abroad (Midttun et. al., 2006), and CSR as global governance approach (Gjølberg, 2010) this SDG could be quite higher for the Nordic companies. Despite SDG 16 might mainly concern governments, companies today are expected to fill governance gap where there is presence of poor governance and less functioning institution (Waddock, 2008). Comparing the companies’ actions, the OECD have more companies taking actions on the SDGs especially for health, education and gender equality. The Nordic companies indicate a lower score on HR and AC compared to the OECD countries, but higher on LR. Comparing with the OECD countries SDGs, they high indication on the SDGs 3, 4, 5 might show that the companies work with the SDGs, however does not have well established actions and policies in place. However, the actions chosen for the index might be other than the company actually take, despite that the actions were carefully chosen to complement each other and not substitute one another, to ensure a sustainable company.

Number of employees
The number of employees in the company is statistically significant positive for both the Nordic countries and the OECD countries which indicates that more employees, larger company, takes more actions on CSR. The results confirm with Rasche et al (2018) that larger companies stay in the UNGC compared to small companies. One implication that size of the company is statistically significant, with a positive coefficient, might be that larger companies have more international presence, been in the business longer or more visible company, hence more CSR actions. With a comparison of small and large companies challenges with implementing the Ten Principles (Figure 42), the challenges for large
companies are competing strategic priorities, extending strategy throughout the supply chain and implementing across business functions. Small companies also have the most challenges with extending strategy throughout supply chain, but also lack of financial resources and lack of knowledge. The Nordic countries have high correlation with size and HR and AC, and the OECD countries for EN and AC. If this is the case, then this indicates that larger companies, might have more international presences, and more concerned with HR and AC, hence externalising the welfare state to international operations and CSR as global governance could be confirmed (Gjølberg, 2010; Midttun et al., 2006). For the OECD countries, a large company would have more action taken within environmental dimensions.

**Join the UNGC**

The year of joining UNGC is negative correlated for all the variables, both in the Nordic countries and the OECD countries, e.g. the increase in size, including board, LN and reporting. This indicate that the larger the company, have the board of directors involved, part in a LN and report on sustainability, is the longer the company has been in the UNGC. Being an early adopter of UNGC only has a statistically significance in one case (for Nordic companies HR actions) and being a late adopter a positive statistically significance in one case (for OECD companies for overall CSR actions). The reason that previous study might indicated that early adopter leave MSIs (Rasche et. al., 2018) might be because of the influence that UNGC has. In some cases, as we will elaborate when answering the second research question, is the UNGC’s lack of influence on some companies’ CSR, especially in the Nordic countries. The company might not be influenced by the UNGC anymore, or being a SME without further resources to prepare the COP, hence Cleave UNGC. Companies being a late adopter might have been more influenced to adopt an emerging institutional framework, and, large companies might still have institutional pressure since being a large company with many employees, more publicly visible and probably an international presence.

**Board of directors**

Involving the board of directors has a statistically significant positive impact on all corporate responsibility actions. This implication is that the more the board of directors is involved in the company, the more CSR actions. This might contradict Morsing et al., (2007) that indicate that management does already perceive the company as social responsible and might not take further immediate actions. These results show that when the highest level in the company, board of directors, are involved the corporate responsibility increase. With further study of the data, the Nordic companies have more board of directors involved (57%) than the OECD countries (50%) which has CEO and Senior management as the highest. The Nordic countries also has CEO as their most involved actor in CSR (Figure 22 and 23). However, there is still a way to go to address CSR at the board level in all companies.

**Local Networks**

The LN is statistically significant for all the OECD companies’ corporate responsibility actions, except HR. For the Nordic countries, the LN is only statistically significant for CSR and HR. The results might be because there are 12% more companies involved in a LN in the OECD compared to the Nordic countries. The reason that many companies in the Nordic countries might indicate a no, is because that the countries has had a Nordic Network (Denmark, Finland, Iceland, Norway and Sweden) with one country responsible for the network for two years in a row. The distance might have impacted the lack of participation. Also, during the 2017, there was also the process of establishing individually LN in all the Nordic countries, which might have influenced the answer since the networks was not
established when the questionnaire was sent out. Interesting notation is the reason for participation in the different LNs because the UNGC is supposed to be a global network with local practice (Rasche, 2012). First there are some country differences between the Nordic countries (Figure 43). The average of the Nordic companies is mainly benefitting from networking and share practices and experiences with other companies which confirm a cooperative approach from the Nordic companies (Strand & Freeman, 2012; Strand et al., 2014). This contrast with the OECD, show that those companies need further assistance with implementation and communication as well as networking (Figure 44). The OECD also take a collaborative approach, but align with other reasons. Interesting notation is that Rasche et al. (2018) indicate that a strong network is influencing delisting and weak network not, however, they conclude that only the presence of a LN is increasing the value of the membership in terms of legitimacy, not the number of participants itself. This might lead to that the NIT and the international institutional framework needs local connections to perceive legitimate. However, the low membership status in a LN (Nordic: 35% and OECD: 48%) will question the importance of the local aspect of the CSR and more importance for the international framework and address global governance issues at a global level, and the motivations for participating.

**Sustainability reporting**

SR is statistically significant for many corporate responsibility areas, except for the Nordic countries on HR, EN and AC. This might be because of the NBS ensuring well compliance with these topics, hence no need to report. The importance for reporting on LR for the Nordic countries might come from 1. the competitive advantage to already comply with the standards, or their international presence and LR in global operations. Interesting notation is that this variable is not more correlated with the Nordic countries as it is implicitly said in the actions to monitor and evaluate performance. When looking further at the reason for reporting (Figure 45 and 46), the Nordic countries have 82% report on their sustainability compared to the OECD’s 69%. The reason for the Nordic companies reporting is mostly to integrate into business operations (business case for CSR, Carroll & Shabana, 2010), closely followed by improve company's reputation (65%) and show active participation in UNGC (61%). This indicates highly explicit and communicative approach (Maignan & Ralston, 2002; Matten & Moon, 2008). However, might instead be because of the mandatory reporting on non-financial information. It also indicates the importance of communicating to stakeholders, however, not on the same extent as the latter reasons. This implication also show the importance of partake in a global governance institutions (the UNGC). The explicit approach tends to indicate that companies take a more international approach to partake in a global governance system.

**Company status**

For the Nordic countries, the status has a range of 0.528 in difference, with state-owned companies at the highest level, however not statistically significant. For the OECD countries, the status of the company varies between 0.81, and publicly listed has higher impact than privately held companies (and other category), further state-owned companies show a higher level than publicly listed. However, publicly listed companies have higher CSRs than privately held and is statistically significant for overall CSR, EN and AC. The descriptive data show that the company status does not differ a lot between the groups, the OECD has slightly more privately held companies, and the Nordic companies more publicly listed. However, when one extract the USA data, they have 39% publicly listed companies compared to the 27% of the Nordic countries. This confirms well that publicly listed companies are expected to have higher explicit CSR (Matten & Moon, 2008).
However, despite the Nordic countries having a large share of publicly listed companies, it does not indicate more corporate responsibility, which might contrast that publicly listed companies indicate more CSR (Rasche et al., 2018). On the other hand, the Nordic company status is not statistically significant which might indicate that more data samples from the Nordic countries are need to draw further conclusions.

**Sector effect**

The sectors vary with 2.26 for the Nordic countries and 1.06 for the OECD countries. The importance of sector indicates differences in the approaches. The main sector that influence higher level of CSR is the utilities and telecommunication and lower levels of CSR has the technology and oil and gas industry. The OECD countries are overall influenced by higher level of CSR in basic materials, consumer goods and services, and oil and gas, and lower levels in telecommunication and utilities. The different groups have almost the opposite in high performance in CSR compared to low CSR. However, all are not statistically significant. The only statistically significant variables are for the Nordic countries are more overall CSR actions in utilities sector, more HR actions in telecommunications, more LR actions in consumer services, more EN actions in telecommunication and utilities and less EN actions in technology. There is no statistically significant sector for the AC actions. For the OECD countries, the statistically significant sector for overall CSR actions show that less CSR actions are taken in industrials, other, technology, telecommunications and utilities. For LR actions, the only statistically significant sector is that utilities have less CSR actions. For EN actions, consumer services, health care, financials, technology and other show statistically significant lower results. For HR and AC actions, no statistically significant results for the OECD countries. What this might implies is that different NBS have different expectations on companies (Matten & Moon, 2008; Maignan & Ralston, 2002). It could however, be influences of NIT and globalization that it impacts the companies CSR depending on where they have their operations, i.e. the developing world or where there are weaker institutions (Matten & Moon, 2008). There is an international mimetic pressure for companies to join MSIs when other companies in the same industry (Berliner & Prakash, 2015; Matten & Moon, 2008), which might indicate that there are cross-national differences, especially comparing the Nordic and the OECD countries. However, in these results there are more differences between industries, and not necessarily an international convergence. However, to draw such conclusion further research would need to test countries individually and the sectors that impact the firm’s CSR performance, with more data

**Country effect**

The country effect is the most 1.52 for the Nordic countries and 2.06 for the OECD countries. For the Nordic countries, Sweden have higher level of CSR on all aspects of corporate responsibility, however, only statistically significant on overall CSR actions and LR actions. The OECD countries will not be compared individually since the results vary a lot, depending on country and CSR area.

**5.2 What role does MSI play?**

The Nordic countries does only have the MSI: UNGC, as positive statistically significant for their LR actions. On all other aspects, the UNGC does not indicate a statistically significant impact on the company’s CSR actions. This is in high contrast to OECD countries which has the UNGC as statistically significant on all the corporate responsibility actions.
The statistically insignificant score of UNGC influence might confirm a NBS approach, with the welfare state already undertaking many of social responsibilities (Jackson & Bartosch, 2016; Maignan & Ralston, 2002; Midttun et. al., 2006) and CSR is a second-best option (Midttun et. al., 2012; Gjølberg, 2010). The international approach from companies to participate in UNGC (the highest participation in the economies based on revenue and GDP), might be due to the fact of still a NBS encouraging more explicit CSR (Matten & Moon, 2008) or an international governance approach with extending their CSR abroad (Gjølberg, 2010; Midttun et al., 2006). The Nordic countries are mainly influenced with help on reporting and implementation, and lowest with the vision (Figure 18 and 19). However, the statistically insignificant score on UNGC influence might be that companies that take more actions on CSR does not receive the help internationally, or more exactly, does not receive help from the UNGC. This could indicate the Nordic approach towards CSR, to partake in global governance with an international approach, however, not drawing benefits from the initiative. The results indicate an explicit approach because of high participation, however, with closer investigation the results are implicit. Another aspect is that an explicit approach today has become an implicit approach (Moon, 2018). Because of the rise of global governance issues and emergence of MSIs to solve the global challenges and there might have been a move from explicit CSR to become implicit, for example reporting non-financial information (Moon, 2018).

The OECD countries are influenced by the UNGC on all corporate responsibility areas, especially high on overall CSR actions, followed by AC. The Nordic countries only includes CME, and the statistically significant impact of UNGC could be because of countries being both LME and CME. The NBS might also be present here (Matten & Moon, 2008), the need to also more explicitly communicate their actions (Maignan & Ralston, 2002) and confirm a substitute hypothesis (Jackson & Bartosch, 2016). However, it contrasts Midttun et. al. (2006) that indicate that Anglo-Saxon countries and Mediterranean countries perform low on new embeddedness (participation in initiative and rankings) which would indicate a symmetric approach, however, the OECD approach is more related to take an explicit approach, also influenced with high sustainability reporting.

Finally, there is an overview of the reasons why companies participate in the UNGC (Figure 47 and 48). There some differences between the Nordic countries, but overall a similarity between the Nordic and OECD countries. The similarities are the reason of the universal principles and promote actions on sustainability. The differences between the Nordic and OECD countries is mainly that the Nordic countries more value to address business opportunities and risk, attract, motivate and retain employees, and investor efforts to evaluate CSR performance than the OECD countries. The OECD countries value more than the Nordic countries to acquire knowledge to advance sustainability, UNGC global initiative and networking with other organisations.

Concluding, there is especially an interest in Nordic companies to partake in international institutions (over-represented in UNGC index and largest share in the economy). The explicit approach by companies in, especially in Switzerland, the Netherlands and UK could be because they have a larger share on MNCs and subject to naming and shaming (Gjølberg, 2009a). The Nordic countries are assumed to have a more implicit approach, since they are embedded in an institutional environment, with more regulatory framework. The index measures the explicit approach towards CSR, and Gjølberg’s argument contradict Moon and Matten’s (2008) theory about implicit and explicit CSR. These results also confirm, as Gjølberg, a more explicit approach from the Nordic countries and less explicit in the US.
Gjølberg (2010), however, state that the implicit CSR in the Nordic countries have supported the companies to transform the CSR to more explicit CSR strategies with the increase in CSR demands. The high representative by the Nordic companies might then be influenced by globalisation and the international institutional legitimacy (NIT). However, the impact from the UNGC is not statistically significant, hence might highlight the importance of national institutions for achieving the corporate responsibility performance. If this is because of the NBS encouraging competitive advantage (symmetric embeddedness), mirror hypothesis, adopting an international approach towards CSR (Gjølberg, 2010) or just start at a higher level due to the welfare state overall, is difficult to say. Interesting notation mentioned before is that the companies’ corporate responsibility is highest in EN and lowest in HR, however the countries overall perform well on the HR according to the SDG index.

Concluding, the OECD countries, indicate to be highly influenced by UNGC in their CSR work. This indicate an importance international institutions of CSR. However, if this is also influenced because of NBS and the rise of more explicit CSR in the European NBS (Matten & Moon, 2008) or an overall international approach because of globalisation, and need for legitimacy and explicitly communicate is difficult to say (NIT). Compared to the Nordic countries, the importance for international institutions for their CSR is highly significant, hence explicit approach confirmed, however, the importance of UNGC for the Nordic countries remains, but not for the CSR actions.

Another emerging international institutional framework is the SDGs that were established in 2015. Still quite new, there are more companies in average in the OECD (72%) that work with the SDGs, compared to the Nordic countries (average 65%, e.g. Finland 75% and Denmark 58%) which can take two interpretations. The Nordic companies does not adopt to international institutions, however contrast the high UNGC participation. On the other hand, they might still do, but not in conforming to the institutional framework of the SDGs, since the nations are already taken care of performing well on the SDGs. It might instead take an approach to externalize CSR and extend the welfare state capitalism (Midttun et. al., 2006) and have a mirror hypothesis domestically and substitute hypothesis internationally. But with the relative low score of companies taking actions on the SDGs compared to the OECD, might also be because of that the survey was sent out only 18 months after its establishment. Not working with the SDGs, might not indicate no CSR actions, it just indicates the scope of companies that engage in the international institutional framework. However, there is still country-differences to be caution for when drawing conclusions, since Finland have more companies taking actions on the SDGs than average of the OECD companies.
<table>
<thead>
<tr>
<th></th>
<th>NORDIC</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share in economy</td>
<td>High</td>
<td>Mixed, Switzerland high</td>
</tr>
<tr>
<td>Over- and under-</td>
<td>High</td>
<td>Mixed, France and Spain high</td>
</tr>
<tr>
<td>representative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of company</td>
<td>Statistically significance</td>
<td>Statistically significance</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Statistically significance</td>
<td>Statistically significance</td>
</tr>
<tr>
<td>Company status</td>
<td>Private and state-owned</td>
<td>Publicly listed and state-owned</td>
</tr>
<tr>
<td></td>
<td>companies, not statistically</td>
<td>companies, some statistically</td>
</tr>
<tr>
<td></td>
<td>significance</td>
<td>significance</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Statistically significance for</td>
<td>Statistically significant for all</td>
</tr>
<tr>
<td>reporting</td>
<td>CSR and LR</td>
<td></td>
</tr>
<tr>
<td>Local Network</td>
<td>Statistically significant for</td>
<td>Statistically significant for all</td>
</tr>
<tr>
<td></td>
<td>CSR and HR</td>
<td>except HR</td>
</tr>
<tr>
<td>Sector</td>
<td>+ Utilities, telecommunications,</td>
<td>+ (No statistically significance)</td>
</tr>
<tr>
<td></td>
<td>consumer service (statistically</td>
<td>- Industrials, other, technology,</td>
</tr>
<tr>
<td></td>
<td>significance)</td>
<td>telecommunications and</td>
</tr>
<tr>
<td></td>
<td>- Technology</td>
<td>utilities, consumer services,</td>
</tr>
<tr>
<td></td>
<td>(statistically significance)</td>
<td>health care, financials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(statistically significance)</td>
</tr>
<tr>
<td>Topics</td>
<td>Mainly EN and AC SDGs: Most 8, 12, 13, some 3, 4, 5, 17</td>
<td>Mainly LR and EN SDGs: Most 3, 4, 5, 8, some 10, 12, 13, 17</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Not statistically significance,</td>
<td>High statistically significance</td>
</tr>
<tr>
<td></td>
<td>except for LR</td>
<td></td>
</tr>
</tbody>
</table>

*Table 9. Summary of findings.*
6. Discussion

*The discussion will present the main implications of the findings and summarize the answers to the research questions.*

Is there then a Nordic model? The Nordic countries are assumed to perform well on CSR as mentioned in the introduction and stated by i.e. the SDG index, indices and rankings. The Nordic countries are also assumed to be quite similar in comparison due to its Nordic heritage and welfare state model.

However, there is a few implications that need to be considered from the results in this study. First, there are more country differences within the Nordic countries than expected. The Nordic countries are not as similar as predicted in the beginning. The challenge is to draw any further conclusion, especially regarding the small amount of data from Finland and Norway. The main results are then representing Denmark and Sweden. On the other hand, the Nordic countries are assumed to be more similar compared to the rest of the OECD countries. More data from the Nordic countries would establish a clear distinction/similarity between the Nordic countries and the rest of the OECD countries. Further research could also compare with individually OECD countries.

Second, there is surprisingly low CSR actions taken by the Nordic countries regarding HR, LR and AC (however, Sweden is slightly higher compared to the other countries). The implication of the NBS and the active welfare state model result in an implicit CSR. In relation to HR and LR, we can assume that the welfare state model is present and many actions taken to ensure HR and LR are already embedded and covered by the welfare state model. This confirms well with the high performance in the SDG Index where we see that the Nordic countries perform well on areas relating to HR and LR. Regarding AC, we can assume that the NBS is covering the AC because of the well ranking in the Corruption Perception Index and the high degree of trust in the Nordic countries. This can also be confirmed by the SDG Index, where the Nordic countries perform quite well on SDG 16, also in comparison with the other OECD countries. However, further research in what NBS in the Nordic countries that ensures high performance in AC, while the companies are not taking explicit actions, are encouraged. On that note, results show that the Nordic companies are not necessarily taken an explicit approach; however, the question is if this still applies internationally. The results from HR, LR and AC, is it predominantly shown by firms with international presence, such as IKEA and HM? The results indicate that larger firms have more CSR actions taken, however further research would be encouraged to extract results by internationally presence.

Third, there might be firm-specific significance that qualifies for a Nordic model. The results indicate different for significance when it comes to board of directors, company status, size, sectors, LN and SR for the Nordic countries and the OECD countries. However, more data on the Nordic countries would be preferred to draw stronger conclusions about the significance in the individually countries and compare with the OECD data. The comparison between the Nordic countries and the OECD countries must be done by caution as the two country groups’ regressions were performed individually.

What role does then MSI play? For the Nordic countries, the Nordic firms are overrepresented in UNGC compared to the other 18 OECD countries which indicate an explicit CSR. The UNGC is important, nonetheless not statistically significant. The role of
UNGC is then difficult to state since the UNGC is not statistically significant for any CSR actions (except LR in Denmark). It could be that the NBS and welfare state model gives a competitive advantage and confirm a mirror hypothesis for CSR for the Nordic firms, indicating an implicit approach for CSR. Yet the overrepresentation by the Nordic firms still indicates an explicit approach towards MSI. The motivations for participation in UNGC could be complemented with a qualitative study to confirm an implicit or explicit approach. The participation in UNGC might also be viewed in the context of international legitimacy.

To conclude, the Nordic firms take an implicit approach towards CSR, yet an explicit approach towards MSI. The Nordic firms might delay on an explicit approach for CSR despite the increase in globalization and global governance gaps which initially might indicate a more explicit approach towards CSR. Regarding the implicit and explicit framework, the development might have been that an explicit approach has become an implicit approach.
7. Conclusion

This research has aimed to study the Nordic companies approach towards CSR and investigate if there is a distinctive approach from the Nordic countries. The focus has been to analyze the firm-specific aspects that might impact a company’s CSR in the context of national institutions; the welfare state model, and international institutions; the MSI UNGC.

There is an indication of a Nordic approach towards CSR which is somewhat influenced by the NBS and welfare state, compared to the OECD countries. However, there are more cross-country differences within the Nordic countries than assumed in the beginning. Further, there are surprisingly low CSR actions taken by the Nordic countries, which further might confirm the welfare state model’s presence and influence. Finally, the firm-specific factors are leaning towards qualifying a Nordic model. Further, the role of MSIs does not have an impact for the Nordic countries, despite having the largest share of companies in UNGC in their countries. The Nordic countries show high participation in global governance and international institutions, however, it is not necessary for their CSR actions. The participation in these international institutions might be because of legitimacy on the global arena to ensure that they already work with CSR, not enhance CSR in itself.

Regarding the discussion, the Nordic firms take an implicit approach towards CSR, especially regarding HR, LR and AC, however signal an explicit approach towards CSR because of the high representation in UNGC, and join UNGC despite of their original implicit approach.

7.1 Implications for policy makers and managers

7.1.1 Implications for policy makers

The results that indicate that national institutions enhance CSR should encourage policy makers to consider policies for CSR. Policy makers have an important role in creating an enabling environment for companies. With globalisation, it is important that NBS also encourage policies for companies operating in the developing world to avoid a “race-to-the-bottom”. Policy makers within the state can also encourage adoption to international framework, as the Nordic countries does (Gjølberg, 2010), seeing the policy makers does not delegate the main responsibility.

Internationally, another implication from this research is that larger companies have more CSR actions taken. This should raise the awareness for policy makers to support SMEs to take further CSR actions, especially since the barriers is mainly lack of finances and knowledge. To further enhance support regarding implementation throughout the supply chain, both for small and large companies, could enhance the participation with the SDGs worldwide. Despite that the Nordic countries (not companies) perform well on the SDGs, support and training would be encouraged to be able to translate the actions taken to engage further in the international dialogue.

Policy makers should also encourage policy for innovation and technologies since the sustainable development challenges can bring new business opportunities for companies that can deliver new and effective and innovative solutions. The new business opportunities cannot just solve many global governance challenges, but also increase sales, competition, lower costs and further strengthen the country’s economy. Investments in sustainable
development is also assumed to be smart investments and policy makers can give supporting framework FDI, blended finances and social impact investments (OECD, 2016).

The Nordic countries could benefit for continued collaboration on CSR since an overall similar approach. Despite the differences that exist, best practice could be shared among the countries and set guidelines for companies national and international (for example, the Swedish companies have the highest score on all CSR areas compared to the other Nordic countries, the Finnish companies on the SDG action).

Overall, the value of establish a consensus in policies and practices to undertake CSR internationally to be able to compare and evaluate, despite of cross-country differences, would be high. Because some nations have different issues delegated to companies, while other nations place this responsibility within the government. Policy makers could benefit to see what areas that companies perform less on and help create an enabling environment in that aspect, e.g. SDGs 1, 6, 11, 14, 15 for the Nordic countries. The different sectors that encourage higher versus lower CSR should be more investigated.

Policy makers for the UNGC could also consider how different countries respond differently to CSR areas and encourage more emphasis on the LNs. Since the survey was done, the UNGC has worked to implement their new business model with mandatory annual contribution for the UNGC, which will be supporting the LNs. LNs will encourage to share best practice between companies and sectors. Despite the Nordic countries establishing their own LNs, there is a request to continue a dialogue and collaboration between the Nordic Global Compact companies and organisations by meeting at annual Nordic Global Compact meetings (GCNN, 2017). With the mandatory contribution for the UNGC, it would be interesting to follow up the results of the UNGC influence on the company's CSR in the following years. The development of initiatives, such as the UNGC, should further consider how they best influence the company’s actions towards CSR, depending on sector, country and size, and maybe even support different NBS to align CSR strategies.

7.1.2 Implications for managers

The implications for managers is to involve the Board of Directors in the company’s CSR to ensure higher CSR actions taken. Managers in companies participating in UNGC should consider partaking in LNs to receive best practices from other company’s and advance their CSR, especially SMEs and late adopters with the lack of financial resources and knowledge. Managers should also raise the awareness of training in extending the strategy throughout the supply chain since most companies face these challenges. Managers in similar sectors could join industry-specific initiatives to get support and best practices from their peers in the industry. Despite that companies in the Nordic countries already might comply with many actions and policies implicitly in the firm, they should find a way to translate this to the international dialogue to be able to compare or even contribute to best practice at the global level.

7.2 Further research

Further research should complement with a qualitative study to understand the underlying motivations and reasons for CSR and UNGC actions since they vary. Further research should also continue to develop the index of CSR actions and elaborate and expand on the most important variable for CSR. Further research should also be dedicated to elaborating on a
comparative CSR index. CSR performance is difficult to measure and compare on an international comparison, however CSR actions are more comprehensive, and certain actions can indicate that certain performance is met. Further research could also in depth study country differences, both in the OECD countries which both involves LME and CME, and categorized with both explicit and implicit approaches, but also between the Nordic countries more detailed overview of firm-specific effects on CSR could be analysed to understand not only country differences, but also industry differences. The study could also be expanded to other MSIs, to see if there is a general country-approach towards the initiatives impact on CSR, however, the index will also differ and a more standardized and researched index should be used.
8. Reference list


Appendix A. Tables and charts.

Table 1. SDG Index ranking 2017.

<table>
<thead>
<tr>
<th>Country</th>
<th>Global Index score</th>
<th>Global index rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>85,6</td>
<td>1</td>
</tr>
<tr>
<td>Denmark</td>
<td>84,2</td>
<td>2</td>
</tr>
<tr>
<td>Finland</td>
<td>84,0</td>
<td>3</td>
</tr>
<tr>
<td>Norway</td>
<td>83,9</td>
<td>4</td>
</tr>
<tr>
<td>Iceland</td>
<td>79,3</td>
<td>14</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>81,9</td>
<td>5</td>
</tr>
<tr>
<td>Germany</td>
<td>81,7</td>
<td>6</td>
</tr>
<tr>
<td>Austria</td>
<td>81,4</td>
<td>7</td>
</tr>
<tr>
<td>Switzerland</td>
<td>81,2</td>
<td>8</td>
</tr>
<tr>
<td>Slovenia</td>
<td>80,5</td>
<td>9</td>
</tr>
<tr>
<td>France</td>
<td>80,3</td>
<td>10</td>
</tr>
<tr>
<td>Japan</td>
<td>80,2</td>
<td>11</td>
</tr>
<tr>
<td>Belgium</td>
<td>80,0</td>
<td>12</td>
</tr>
<tr>
<td>Netherlands</td>
<td>79,9</td>
<td>13</td>
</tr>
<tr>
<td>Estonia</td>
<td>78,6</td>
<td>15</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>78,3</td>
<td>16</td>
</tr>
<tr>
<td>Canada</td>
<td>78,0</td>
<td>17</td>
</tr>
<tr>
<td>Hungary</td>
<td>78,0</td>
<td>18</td>
</tr>
<tr>
<td>Ireland</td>
<td>77,9</td>
<td>19</td>
</tr>
<tr>
<td>New Zealand</td>
<td>77,6</td>
<td>20</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>76,9</td>
<td>23</td>
</tr>
<tr>
<td>Spain</td>
<td>76,8</td>
<td>25</td>
</tr>
<tr>
<td>Australia</td>
<td>75,9</td>
<td>26</td>
</tr>
<tr>
<td>Poland</td>
<td>75,8</td>
<td>27</td>
</tr>
<tr>
<td>Portugal</td>
<td>75,6</td>
<td>28</td>
</tr>
<tr>
<td>Italy</td>
<td>75,5</td>
<td>30</td>
</tr>
<tr>
<td>Korea</td>
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<td>31</td>
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<tr>
<td>Latvia</td>
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<td>32</td>
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<tr>
<td>Luxembourg</td>
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<td>33</td>
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<tr>
<td>Greece</td>
<td>72,9</td>
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</tr>
<tr>
<td>United States</td>
<td>72,4</td>
<td>42</td>
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<tr>
<td>Chile</td>
<td>71,6</td>
<td>44</td>
</tr>
<tr>
<td>Israel</td>
<td>70,1</td>
<td>52</td>
</tr>
<tr>
<td>Mexico</td>
<td>69,1</td>
<td>58</td>
</tr>
<tr>
<td>Turkey</td>
<td>68,5</td>
<td>67</td>
</tr>
</tbody>
</table>
Table 2. UN Global Compact Ten Principles.

**The Ten Principles of the UNGC are:**

**Human Rights**
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

**Labour**
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collect
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and

**Environment**
Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
Table 3. Overview of countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>Companies in this study</th>
<th>Companies in total UNGC</th>
<th>Respondent rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>22</td>
<td>87</td>
<td>25%</td>
</tr>
<tr>
<td>Belgium</td>
<td>23</td>
<td>53</td>
<td>43%</td>
</tr>
<tr>
<td>Canada</td>
<td>13</td>
<td>48</td>
<td>27%</td>
</tr>
<tr>
<td>Chile</td>
<td>14</td>
<td>50</td>
<td>28%</td>
</tr>
<tr>
<td>Denmark</td>
<td>78</td>
<td>288</td>
<td>27%</td>
</tr>
<tr>
<td>Finland</td>
<td>16</td>
<td>64</td>
<td>25%</td>
</tr>
<tr>
<td>France</td>
<td>166</td>
<td>964</td>
<td>25%</td>
</tr>
<tr>
<td>Germany</td>
<td>73</td>
<td>337</td>
<td>22%</td>
</tr>
<tr>
<td>Greece</td>
<td>15</td>
<td>49</td>
<td>31%</td>
</tr>
<tr>
<td>Italy</td>
<td>51</td>
<td>132</td>
<td>39%</td>
</tr>
<tr>
<td>Japan</td>
<td>42</td>
<td>208</td>
<td>20%</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>14</td>
<td>162</td>
<td>9%</td>
</tr>
<tr>
<td>Mexico</td>
<td>105</td>
<td>431</td>
<td>24%</td>
</tr>
<tr>
<td>Netherlands</td>
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<td>93</td>
<td>28%</td>
</tr>
<tr>
<td>Norway</td>
<td>23</td>
<td>90</td>
<td>26%</td>
</tr>
<tr>
<td>Portugal</td>
<td>13</td>
<td>43</td>
<td>30%</td>
</tr>
<tr>
<td>Spain</td>
<td>215</td>
<td>987</td>
<td>22%</td>
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<tr>
<td>Sweden</td>
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<td>Switzerland</td>
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<tr>
<td>United States of America</td>
<td>56</td>
<td>284</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1149</td>
<td>5072</td>
<td>23%</td>
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</tbody>
</table>
Table 4. Overview of empirical studies.

<table>
<thead>
<tr>
<th>Authors</th>
<th>Year</th>
<th>Study</th>
<th>Countries</th>
<th>Main findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maignan &amp; Ralston</td>
<td>2002</td>
<td>Corporate social responsibility in Europe and the US: Insights from business’ self-perceptions.</td>
<td>The US and four European countries (France, the Netherlands and the UK)</td>
<td>Companies CSR communication show national differences. Europe more focus on practice and process in CSR, and companies have less responsibility due to the welfare state. US focus more on philanthropy and voluntarism, and more leadership from companies. The US has more positive view from society, hence communicate more. European business has been viewed more sceptical, hence less communication. However, more explicit CSR from European companies.</td>
</tr>
<tr>
<td>Midttun, Gautesen, Gjølberg</td>
<td>2006</td>
<td>The political economy of CSR in Western Europe</td>
<td>17 West European nations and the USA</td>
<td>The correlation between “old embeddedness” and “new embeddedness” creates two hypothesis; symmetric embeddedness or explicit approach. The Nordic countries have high correlation with high score and the Anglo-Saxon countries with low score which indicates symmetric embeddedness.</td>
</tr>
<tr>
<td>Morsing, Midttun, Palmås</td>
<td>2007</td>
<td>“Implicit” and “explicit” CSR: A conceptual framework for a comparative understanding of corporate social responsibility.</td>
<td>Denmark Norway Sweden</td>
<td>There is a “Scandinavian management”, non-hierarchical. The CSR is influenced by the social welfare, high trust and that management already assume that they perform well on CSR.</td>
</tr>
<tr>
<td>Matten &amp; Moon</td>
<td>2008</td>
<td>“Implicit” and “explicit” CSR: A conceptual framework for a comparative understanding of corporate social responsibility.</td>
<td>The US and Europe</td>
<td>US is more explicit whereas Europe is more implicit. The NBS are influencing the national differences. However, Europe are moving towards being more explicit and influenced by changes in European business systems and NIT.</td>
</tr>
<tr>
<td>Gjølberg</td>
<td>2009a</td>
<td>Measuring the inmeasurable? Constructing an index of CSR practices and CSR performances in 20 countries.</td>
<td>20 European countries</td>
<td>There are cross-country differences in CSR performance (member in initiatives). The results indicate more explicit performance from the Nordic countries and lower from the USA.</td>
</tr>
<tr>
<td>Gjølberg</td>
<td>2009b</td>
<td>The origin of corporate social responsibility: global forces or national legacies?</td>
<td>Denmark Finland Norway Sweden</td>
<td>Institutional hypothesis more significant than globalist hypothesis, especially the variable political culture and corporatism.</td>
</tr>
<tr>
<td>Author(s)</td>
<td>Year</td>
<td>Title</td>
<td>Country/Region</td>
<td>Summary</td>
</tr>
<tr>
<td>-----------</td>
<td>------</td>
<td>-------</td>
<td>----------------</td>
<td>---------</td>
</tr>
<tr>
<td>Gjølberg</td>
<td>2010</td>
<td>Varieties of corporate social responsibility (CSR): CSR meets the “Nordic model”</td>
<td>Denmark, Finland, Norway, Sweden</td>
<td>CSR conflict with the Nordic countries business system. Sweden and Norway approach CSR as global governance. Denmark and Finland as competitive strategy. Overall, there is an international approach for the Nordic companies.</td>
</tr>
<tr>
<td>Strand &amp; Freeman; Strand, Freeman &amp; Hockert</td>
<td>2012, 2014</td>
<td>Scandinavian cooperative advantage: The theory and practices of stakeholder engagement in Scandinavian Corporate social responsibility and sustainability in Scandinavia: an overview.</td>
<td>Denmark, Norway, Sweden</td>
<td>Scandinavian has a cooperative advantage. Scandinavian has a long tradition with stakeholder relations and cooperation.</td>
</tr>
<tr>
<td>Midttun, Gjølberg, Kourula, Sweet, Vallentin,</td>
<td>2015</td>
<td>The political economy of CSR in Western Europe.</td>
<td>Denmark, Finland, Norway, Sweden</td>
<td>CSR can be viewed as conflicting and complementing of goals. CSR is viewed as “second best”. There can be three approaches from Nordic countries towards CSR: 1. international welfare state capitalism, 2. competitive and innovation model, 3. supplementing CSR.</td>
</tr>
<tr>
<td>Jackson &amp; Bartosch</td>
<td>2016</td>
<td>Corporate responsibility in different varieties of capitalism: exploring the role of national institutions</td>
<td>24 OECD countries</td>
<td>There are cross-country differences, however not according to the traditional LMEs and CMEs. There are other institutional influences that impact the company, also, the different institutions impact different areas of CSR.</td>
</tr>
<tr>
<td>Rasche et. al.</td>
<td>2018</td>
<td>Which firms leave MSIs? A resource dependence perspective on delisting from the UNGC.</td>
<td>7017 firms previous member in UNGC</td>
<td>SMEs and being an early adopter increase likelihood to leave MSIs. Further, large companies, late adopters, publicly listed companies and presence of a LN influence a company not to leave the UNGC.</td>
</tr>
</tbody>
</table>
Table 5. Summary statistics.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR actions</td>
<td>Total amount of CSR actions in one company</td>
<td>3.433</td>
<td>2.117</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>UNGC actions, HR</td>
<td>Total amount of HR actions in one company</td>
<td>1.441</td>
<td>1.445</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, LR</td>
<td>Total amount of LR actions in one company</td>
<td>2.293</td>
<td>1.593</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, EN</td>
<td>Total amount of EN actions in one company</td>
<td>2.823</td>
<td>1.748</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC actions, AC</td>
<td>Total amount of AC actions in one company</td>
<td>1.781</td>
<td>1.687</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Total score from one company of UNGC’s overall influence</td>
<td>3.088</td>
<td>0.834</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>HR influence</td>
<td>Total score of UNGC influence on HR</td>
<td>3.138</td>
<td>1.012</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>LR influence</td>
<td>Total score of UNGC influence on LR</td>
<td>2.901</td>
<td>0.998</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>EN influence</td>
<td>Total score of UNGC influence on EN</td>
<td>2.987</td>
<td>0.991</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>AC influence</td>
<td>Total score of UNGC influence on AC</td>
<td>2.952</td>
<td>1.064</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
Table 6. Overview of variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
</table>
| CSR actions    | What actions has your company taken to embed corporate responsibility throughout its strategies and operations? Select all that apply:  
- Establish/adjust policies to incorporate visions and goals  
- Monitor and evaluate sustainability performance  
- Public disclosure of sustainability policies and practices  
- Integrate into relevant corporate functions  
- Integrate into business unit strategies and operations  
- Conduct corporate responsibility risk assessment  
- Conduct corporate responsibility impact assessment | Section I, question 3 |
| UNGC actions   | How does your company take the HR/LR/EN/AC principles into account in its policies or practices? Select all that apply:  
- Risk assessment  
- Impact assessment  
- Training and awareness programmes for employees  
- Monitor and evaluate performance  
- Public disclosure of policies and practices | Section II:  
HR question 2,  
LR question 4,  
EN question 4,  
AC question 4 |
| UNGC influence | Overall, to what extent has participation in the Global Compact helped advance corporate responsibility policies and/or practices within your company? (relates to CSR actions)  
1. No impact  
2. Minimally helped advance efforts  
3. Moderately helped advance efforts  
4. Significantly helped advance efforts  
5. Advancement would not have happened without being a participant  
To what extent has the Global Compact influenced your work to address HR/LR/EN/AC? Select only one choice. (relates to UNGC actions)  
1. None  
2. Minimal  
3. Moderate  
4. Significant  
5. Essential | Section II:  
HR question 6, LR question 5,  
EN question 6,  
AC question 5,  
Section VI: question 2 |
| Size employees | How many people does your company employ, including all locations?  
1. 10 – 249  
2. 250 – 4,999  
3. 5,000 – 50,000  
4. >50,000 | Section VII: question 3 |
<table>
<thead>
<tr>
<th>Year joining UNGC</th>
<th>When did your company join the Global Compact?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. 2000-2008</td>
</tr>
<tr>
<td></td>
<td>2. 2009-2017</td>
</tr>
<tr>
<td></td>
<td>Section VII: question 7</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>At what levels within your company are corporate responsibility policies and strategies developed and/or evaluated?</td>
</tr>
<tr>
<td></td>
<td>Section I: question 1</td>
</tr>
<tr>
<td>Local Network</td>
<td>Is your company engaged in a Global Compact Local Network?</td>
</tr>
<tr>
<td></td>
<td>0. No / Unsure</td>
</tr>
<tr>
<td></td>
<td>1. Yes</td>
</tr>
<tr>
<td></td>
<td>Section IV: question 1</td>
</tr>
<tr>
<td>Sustainability Reporting</td>
<td>Has your company reported on its sustainability performance?</td>
</tr>
<tr>
<td></td>
<td>0. No</td>
</tr>
<tr>
<td></td>
<td>1. Yes</td>
</tr>
<tr>
<td></td>
<td>Section V: question 1</td>
</tr>
<tr>
<td>Status</td>
<td>Which of the following best describes your company? Select all that apply:</td>
</tr>
<tr>
<td></td>
<td>0. Publicly traded</td>
</tr>
<tr>
<td></td>
<td>1. Privately owned</td>
</tr>
<tr>
<td></td>
<td>2. Partially state-owned enterprise / Fully state-owned enterprise</td>
</tr>
<tr>
<td></td>
<td>3. Other (please specify)</td>
</tr>
<tr>
<td></td>
<td>Section VII: question 5</td>
</tr>
<tr>
<td>Sector</td>
<td>Please indicate your industry:</td>
</tr>
<tr>
<td></td>
<td>0. Basic materials</td>
</tr>
<tr>
<td></td>
<td>1. Consumer goods</td>
</tr>
<tr>
<td></td>
<td>2. Consumer services</td>
</tr>
<tr>
<td></td>
<td>3. Health care</td>
</tr>
<tr>
<td></td>
<td>4. Industrials</td>
</tr>
<tr>
<td></td>
<td>5. Financials</td>
</tr>
<tr>
<td></td>
<td>6. Oil &amp; Gas</td>
</tr>
<tr>
<td></td>
<td>7. Other</td>
</tr>
<tr>
<td></td>
<td>8. Technology</td>
</tr>
<tr>
<td></td>
<td>9. Telecommunications</td>
</tr>
<tr>
<td></td>
<td>10. Utilities</td>
</tr>
<tr>
<td></td>
<td>Section VII: question 6</td>
</tr>
</tbody>
</table>
Table 7. Expected outcome.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Expected sign</th>
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</thead>
<tbody>
<tr>
<td>CSR actions</td>
<td>Total amount of CSR actions in one company</td>
<td>+</td>
</tr>
<tr>
<td>UNGC actions</td>
<td>Total amount of HR, LR, EN, AC actions in one company</td>
<td>+</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Total score from one company of UNGC’s overall influence</td>
<td>+/-</td>
</tr>
<tr>
<td>Size employees</td>
<td>Number of employees in the company, groups</td>
<td>+</td>
</tr>
<tr>
<td>Year joining UNGC</td>
<td>Year company became member of UNGC, early or late adopter</td>
<td>-</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Board of Directors implement and evaluate CSR policies and practices</td>
<td>+</td>
</tr>
<tr>
<td>Local Network</td>
<td>The company’s participation in a Local Network</td>
<td>+</td>
</tr>
<tr>
<td>Sustainability</td>
<td>The company report on their sustainability</td>
<td>+</td>
</tr>
<tr>
<td>Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td>The company’s status</td>
<td>+ for publicly listed</td>
</tr>
<tr>
<td>Sector</td>
<td>The sector the company is active in</td>
<td>+/-</td>
</tr>
</tbody>
</table>
Table 8. Results of regressions.

<table>
<thead>
<tr>
<th></th>
<th>CSR actions</th>
<th>HR actions</th>
<th>LR actions</th>
<th>EN actions</th>
<th>AC actions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NORDIC</td>
<td>OECD3</td>
<td>NORDIC</td>
<td>OECD3</td>
<td>NORDIC</td>
</tr>
<tr>
<td><strong>UNGC influence</strong></td>
<td>0.281</td>
<td>0.409***</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HR influence</td>
<td>-</td>
<td>-</td>
<td>0.156</td>
<td>0.282***</td>
<td>-</td>
</tr>
<tr>
<td>LR influence</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.245**</td>
</tr>
<tr>
<td>EN influence</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AC influence</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Size employee</td>
<td>0.885***</td>
<td>0.524***</td>
<td>0.656***</td>
<td>0.230***</td>
<td>0.456**</td>
</tr>
<tr>
<td>Union/GM</td>
<td>-0.007</td>
<td>0.278*</td>
<td>-0.579**</td>
<td>-0.185</td>
<td>-0.425</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>1.285***</td>
<td>0.593***</td>
<td>0.691**</td>
<td>0.253***</td>
<td>0.581**</td>
</tr>
<tr>
<td>Local Networks</td>
<td>0.899**</td>
<td>0.516**</td>
<td>0.678**</td>
<td>0.073</td>
<td>0.235</td>
</tr>
<tr>
<td>Sustainability</td>
<td>1.241***</td>
<td>0.595***</td>
<td>0.347***</td>
<td>0.646**</td>
<td>0.435***</td>
</tr>
<tr>
<td>Reporting Status</td>
<td>0.536</td>
<td>-0.444**</td>
<td>0.167</td>
<td>-0.067</td>
<td>0.399</td>
</tr>
<tr>
<td>Sector effect</td>
<td>0.255</td>
<td>0.185</td>
<td>0.025</td>
<td>-0.191</td>
<td>0.800</td>
</tr>
<tr>
<td>Country effect</td>
<td>0.014</td>
<td>-1.121***</td>
<td>0.116</td>
<td>-0.839*</td>
<td>0.113</td>
</tr>
<tr>
<td></td>
<td>0.124</td>
<td>-1.290***</td>
<td>-0.397</td>
<td>-0.735*</td>
<td>0.534**</td>
</tr>
<tr>
<td></td>
<td>1.012***</td>
<td>-1.314***</td>
<td>0.071</td>
<td>-0.452</td>
<td>0.554**</td>
</tr>
<tr>
<td></td>
<td>-0.068***</td>
<td>-1.389***</td>
<td>-0.014</td>
<td>-0.312</td>
<td>-0.401</td>
</tr>
<tr>
<td></td>
<td>-1.400***</td>
<td>-0.132</td>
<td>-0.016</td>
<td>-0.143</td>
<td>-0.096</td>
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<tr>
<td></td>
<td>-1.576***</td>
<td>-0.202</td>
<td>0.059</td>
<td>-0.354</td>
<td>-0.464</td>
</tr>
<tr>
<td></td>
<td>-1.429***</td>
<td>-0.016</td>
<td>0.116</td>
<td>-0.015</td>
<td>-0.041</td>
</tr>
<tr>
<td></td>
<td>-2.060***</td>
<td>-0.382**</td>
<td>-0.837</td>
<td>-0.463</td>
<td>-0.211</td>
</tr>
<tr>
<td></td>
<td>-0.590</td>
<td>0.063</td>
<td>-0.530</td>
<td>-0.763**</td>
<td>0.083</td>
</tr>
<tr>
<td><strong>Constant</strong></td>
<td>-1.471</td>
<td>1.264***</td>
<td>0.387</td>
<td>0.484</td>
<td>-1.035</td>
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<tr>
<td><strong>R-squared</strong></td>
<td>0.5409</td>
<td>0.5496</td>
<td>0.7399</td>
<td>0.2411</td>
<td>0.2760</td>
</tr>
<tr>
<td><strong>Number of observations</strong></td>
<td>185</td>
<td>962</td>
<td>185</td>
<td>962</td>
<td>185</td>
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Table 9. Summary of findings.

<table>
<thead>
<tr>
<th></th>
<th>NORDIC</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share in economy</td>
<td>High</td>
<td>Mixed, Switzerland high</td>
</tr>
<tr>
<td>Over- and under-</td>
<td>High</td>
<td>Mixed, France and Spain high</td>
</tr>
<tr>
<td>representative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size of company</td>
<td>Statistically significance</td>
<td>Statistically significance</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Statistically significance</td>
<td>Statistically significance</td>
</tr>
<tr>
<td>Company status</td>
<td>Private and state-owned</td>
<td>Publicly listed and state-owned</td>
</tr>
<tr>
<td></td>
<td>companies, not statistically</td>
<td>companies, some statistically</td>
</tr>
<tr>
<td></td>
<td>significance</td>
<td>significance</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Statistically significance</td>
<td>Statistically significant for all</td>
</tr>
<tr>
<td>reporting</td>
<td>for CSR and LR</td>
<td></td>
</tr>
<tr>
<td>Local Network</td>
<td>Statistically significant</td>
<td>Statistically significant for all</td>
</tr>
<tr>
<td></td>
<td>for CSR and HR</td>
<td>except HR</td>
</tr>
<tr>
<td>Sector</td>
<td>+ Utilities, telecommunications, consumer service (statistically significance)</td>
<td>+ (No statistically significance)</td>
</tr>
<tr>
<td></td>
<td>- Technology (statistically</td>
<td>- Industrials, other, technology,</td>
</tr>
<tr>
<td></td>
<td>significance)</td>
<td>telecommunications and utilities,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>consumer services, health care,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>financials (statistically significance)</td>
</tr>
<tr>
<td>Topics</td>
<td>Mainly EN and AC SDGs: Most 8, 12, 13, some 3, 4, 5, 17</td>
<td>Mainly LR and EN SDGs: Most 3, 4, 5, 8, some 10, 12, 13, 17</td>
</tr>
<tr>
<td>UNGC influence</td>
<td>Not statistically significance, except for LR</td>
<td>High statistically significance</td>
</tr>
</tbody>
</table>
Figure 1. Distribution of sectors in the Nordic countries.

Figure 2. Average distribution of sectors in the Nordic countries.
Figure 3. Average distribution of sectors in the OECD countries.

Figure 4. Distribution of employees in the Nordic companies.
Figure 5. Average distribution of employees in the Nordic companies.

Figure 6. Average distribution of employees in the OECD companies.
Figure 7. Participation in Local Networks in the Nordic companies.

Figure 8. Average participation in Local Networks in the Nordic companies.

Figure 9. Average participation in Local Networks in the Nordic companies.
Figure 10. Overview of distribution of year joining the UNGC by the Nordic companies.

Figure 11. Overview of the distribution of year joining the UNGC by the Nordic and the OECD companies.
Figure 12. Overview of company status of the Nordic companies.

Figure 13. Overview of company status of the Nordic and the OECD companies.
Figure 14. Overview of the overall CSR actions taken by the Nordic companies.

Figure 15. Overview of the overall CSR actions taken by the Nordic and OECD companies.
Figure 16. Overview of the UNGC actions in the Nordic companies.

Figure 17. Overview of the UNGC actions in the Nordic and the OECD companies.
Figure 18. Overview of the overall value of the UNGC in the Nordic companies.

Figure 19. Overview of the overall value of the UNGC in the Nordic and OECD companies.
Figure 20. Overview of the value of the UNGC in HR, LR, EN and AC in the Nordic companies.

Figure 21. Overview of the value of the UNGC in HR, LR, EN and AC in the Nordic and the OECD companies.
Figure 22. Overview of the management and governance in the Nordic companies.

Figure 23. Overview of the management and governance in the Nordic and OECD companies.
Figure 24. Overview of companies in the Nordic and OECD that take actions on the SDGs.

Figure 25. Overview of the SDGs that the Nordic companies are taking actions on.
Figure 26. Overview of the SDGs the Nordic and the OECD companies are taking actions on.

Figure 27. Respondent rate of the companies in the survey compared with total number of members in the UNGC in the Nordic and OECD companies.
Figure 28. Overview of the distribution of employees in the Nordic companies in all UNGC.
Figure 29. Overview of the average distribution of employees in the Nordic companies in all UNGC.

Figure 30. Overview of the average distribution of employees in the OECD companies.
Figure 31. Overview of the year of joining UNGC by the Nordic companies’ member in UNGC.

Figure 32. Overview of the year joining UNGC by all the OECD companies’ member in UNGC.
Figure 33. Overview of year joining the UNGC by all members in Nordic and OECD companies’ members in UNGC.

<table>
<thead>
<tr>
<th>Year</th>
<th>Nordic</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>106600</td>
<td>41100</td>
</tr>
<tr>
<td>2001</td>
<td>83275</td>
<td>56175</td>
</tr>
<tr>
<td>2002</td>
<td>183750</td>
<td>92825</td>
</tr>
<tr>
<td>2003</td>
<td>344341</td>
<td>594925</td>
</tr>
<tr>
<td>2004</td>
<td>35175</td>
<td>34850</td>
</tr>
<tr>
<td>2005</td>
<td>125275</td>
<td>249550</td>
</tr>
<tr>
<td>2006</td>
<td>628650</td>
<td>277775</td>
</tr>
<tr>
<td>2007</td>
<td>184550</td>
<td>178700</td>
</tr>
<tr>
<td>2008</td>
<td>99650</td>
<td>76900</td>
</tr>
<tr>
<td>2009</td>
<td>120350</td>
<td>252400</td>
</tr>
<tr>
<td>2010</td>
<td>124075</td>
<td>524125</td>
</tr>
<tr>
<td>2011</td>
<td>342275</td>
<td>26275</td>
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<tr>
<td>2012</td>
<td>382450</td>
<td>295025</td>
</tr>
<tr>
<td>2013</td>
<td>231325</td>
<td>35175</td>
</tr>
<tr>
<td>2014</td>
<td>238500</td>
<td>51125</td>
</tr>
<tr>
<td>2015</td>
<td>353275</td>
<td>102425</td>
</tr>
<tr>
<td>2016</td>
<td>61275</td>
<td>218700</td>
</tr>
<tr>
<td>2017</td>
<td>52030</td>
<td>214800</td>
</tr>
</tbody>
</table>

Figure 34. Approximate revenue for all companies’ member in the UNGC 2017.
Figure 35. Approximate share of the UNGC in the different economies 2017.

Figure 36. Approximate share of the UNGC in the Nordic economies 2017.
Figure 37. Overview of the distribution of number of companies in different countries 2017.

Figure 38. The over- and under-representation of companies in the UNGC 2017.
Figure 39. Overview of the SDG performance by the Nordic countries in 2017.

Figure 40. Overview of the SDG performance by the OECD countries in 2017.
Figure 41. Overview of the SDG performance by the average Nordic and OECD countries in 2017.

Figure 42. Overview of the challenges regarding taking actions on the Global Compact’s Ten Principles in small and large companies in the Nordic and OECD countries.
Figure 43. Overview of the motivations to participate in a Local Network by the Nordic companies.

Figure 44. Overview of the motivations to participate in a Local Network by the Nordic and the OECD companies.
Figure 45. Overview of the motivations to report on sustainability by the Nordic companies.

Figure 46. Overview of the motivations to report on sustainability by the Nordic and the OECD companies.
Figure 47. Overview of reasons to participate in the UNGC by the Nordic companies.

Figure 48. Overview of reasons to participate in the UNGC by the Nordic and the OECD companies.
Appendix B. Overview of the answers from the Implementation Survey.

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<th>COUNTRY</th>
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2. HUMAR RIGHTS: Do you have policies or practices in place related to Human Rights?

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2. LABOUR. QUESTION: Do you have policies or practices in place related to Labour?

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2. ENVIRONMENT: Do you have policies or practices in place related to Environment?

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2. ANTI-CORRUPTION: Do you have policies or practices in place related to Anti-corruption?

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| Overall influence | 3,1 | 3,2 | 3,1 | 3,0 | 3,1 | 3,1 |
| Vision influence  | 3,0 | 3,1 | 3,0 | 3,0 | 3,0 | 3,3 |
| Implementation influence | 3,7 | 3,5 | 3,5 | 3,5 | 3,6 | 3,7 |
| Reporting influence | 3,7 | 3,7 | 3,4 | 3,5 | 3,6 | 3,7 |
| Advance other UN goals influence | 3,5 | 3,4 | 3,4 | 3,5 | 3,5 | 3,8 |

Extra CSR actions

| Set measureable sustainability goals | 62% | 63% | 39% | 77% | 60% | 62% |
| Engage in multi-stakeholder consultations | 19% | 38% | 26% | 51% | 33% | 33% |
| Join voluntary initiatives in addition to the Global Compact | 44% | 63% | 39% | 58% | 51% | 54% |
| Values reflected in code of conduct | 67% | 63% | 78% | 77% | 71% | 64% |
| Publicly communicate its commitment to corporate responsiblity | 86% | 100% | 96% | 86% | 92% | 81% |
2017 UNITED NATIONS GLOBAL COMPACT IMPLEMENTATION SURVEY

Thank you for completing the 2017 UN Global Compact Implementation Survey, as part of your commitment to the Global Compact. Your response to the survey is especially important as we seek to assess progress made by our participants over time and the initiative’s impact.

This annual benchmark survey is not an evaluation of any single company’s performance. Rather, it allows the Global Compact to broadly understand the ways in which our business participants are working to implement the ten principles as well as the Sustainable Development Goals. Through your honest responses, we are able to assess where and how progress is being made, as well as identify areas that are challenging for companies. This survey provides the Global Compact with information that is critical to the prioritization and development of future resources, dialogues and learning events for participants.

The survey must be completed by 16 June 2017:

- A copy of the survey can be downloaded to facilitate its online completion: English - Français - Español - 中文
- All answers provided will be treated in strict confidence and will only be reproduced in aggregated and anonymous form.
- If you need to leave the survey before it has been submitted, simply close your browser. Your answers will be saved. You can return to and change your answers at any time until you submit the survey.
- To begin the survey, please click on the “>>” button below.

Note on terminology: The terms corporate responsibility and corporate sustainability are used interchangeably in this survey – and are defined as a company’s delivery of long-term value in financial, social, environmental and ethical terms – covering all ten principles of the Global Compact.

If you have any questions or encounter challenges in completing the survey, please contact survey@unglobalcompact.org. We will respond promptly.

Thank you for your time and important contribution.

The UN Global Compact Office
SECTION I

MANAGEMENT & GOVERNANCE

This is not an evaluation of your company’s policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

Note on terminology: The terms corporate responsibility and corporate sustainability are used interchangeably in this survey – and are defined as a company’s delivery of long-term value in financial, social, environmental and ethical terms – covering all ten principles of the Global Compact.

1. At what levels within your company are corporate responsibility policies and strategies developed and/or evaluated? Select all that apply:
   ___CEO
   ___Board of Directors*
   ___Corporate Responsibility or Ethics officer
   ___Senior management
   ___Middle management
   ___Subsidiaries
   ___Other (specify) __________________

   *For companies without a formal Board, other governance or ownership body assumes these responsibilities

2. How often does your company’s Board of Directors (or equivalent*) address corporate responsibility issues? Select only one choice:
   ___Board discusses and acts on these issues as part of regular agenda
   ___Board addresses these issues from time to time, as needed
   ___Board does not address corporate responsibility issues
   ___Other (specify) __________________
   ___Unsure

   *For companies without a formal Board, other governance or ownership body assumes these responsibilities

2a. Skip this question if answer “Board does not address corporate responsibility issues” above:

How does your company’s Board of Directors (or equivalent*) address corporate responsibility issues? Select all that apply:

   ___Appoints sub-committee or individual member responsible for corporate responsibility
   ___Approves reporting on corporate responsibility (e.g., Sustainability report, Communication on Progress)
   ___Establishes or approves targets for the company’s sustainability performance
   ___Links executive remuneration packages to corporate sustainability performance
   ___Provides corporate responsibility training for Board members
   ___Other (specify) __________________
   ___Unsure
   ___None

   *For companies without a formal Board, other governance or ownership body assumes these responsibilities
3. What actions has your company taken to embed corporate responsibility throughout its strategies and operations? Select all that apply:
   ___Publicly communicate its commitment to corporate responsibility
   ___Set measurable sustainability goals
   ___Conduct corporate responsibility risk assessment
   ___Conduct corporate responsibility impact assessment
   ___Establish/adjust policies to incorporate visions and goals
   ___Monitor and evaluate sustainability performance
   ___Public disclosure of sustainability policies and practices
   ___Engage in multi-stakeholder consultations
   ___Join voluntary initiatives (e.g. sector, issue specific) in addition to the Global Compact
   ___Integrate into relevant corporate functions
   ___Integrate into business unit strategies and operations
   ___Values reflected in code of conduct
   ___Other (please specify) __________________________
   ___None
   ___Unsure

4. How does your company communicate its corporate responsibility policies and expectations with employees? Select all that apply:
   ___Employee orientation
   ___Staff training or workshops
   ___Train managers to integrate issues into strategy and operations
   ___Incorporate sustainability criteria into employee performance assessments
   ___Link sustainability performance to compensation
   ___Code of Conduct
   ___Use internal communications channels (e.g., email, intranet or newsletter)
   ___Management meetings with employees (e.g., “Town Halls”)
   ___Other (specify) __________________________
   ___None
   ___Unsure

5. What are the top 5 reasons for your company’s participation in the Global Compact? Please select 5 responses and then rank your responses in order of importance from 1 – 5, with 1 being the most important reason.
   ___Increase trust in company through public commitment to sustainability
   ___Address humanitarian concerns
   ___Global Compact is a global initiative with local presence
   ___Acquire knowledge to advance sustainability into operations and strategy
   ___Establish links with UN
   ___Networking with other organizations
   ___Universal nature of the principles
   ___Address business opportunities and risks
   ___Comprehensive framework that includes the range of sustainability issues
   ___Promotes action on sustainability within the company
   ___Attract, motivate and retain employees
   ___Pressure from external stakeholders
   ___Investor efforts to evaluate corporate sustainability performance
   ___Other (please specify)___________________________
   ___None
   ___Unsure
6. Currently what time frame do you have in place for your company’s corporate sustainability targets, including the Sustainable Development Goals?
   ___ Up to 2 years
   ___ 2-5 years
   ___ 5-10 years
   ___ 10-15 years
   ___ 15+ years

   In the future, what time frame do you intend to set for new corporate sustainability targets, including the Sustainable Development Goals?
   ___ Up to 2 years
   ___ 2-5 years
   ___ 5-10 years
   ___ 10-15 years
   ___ 15+

7. To what extent does your company spread its commitment to the Global Compact throughout its subsidiaries*?
   On a scale of 1 to 5: 1=Not spreading commitment beyond headquarters, 5=Require all subsidiaries to implement the Global Compact principles and assess their progress (select only one choice):
   ___ 1 (Not spreading commitment beyond headquarters)
   ___ 2
   ___ 3
   ___ 4
   ___ 5 (Require all subsidiaries to implement the Global Compact principles and assess their progress)
   ___ Do not have subsidiaries

   *The term "subsidiary" is used to cover all types of parent company/affiliate organizational structures.

7a. If answer “1”:

   Why is your company not spreading its commitment to the Global Compact throughout its subsidiaries? Select all that apply:

   ___ Lack of financial resources
   ___ Not a priority for the company
   ___ Structure between parent company-subsidiary not conducive
   ___ Corporate responsibility not integrated in lines of business
   ___ Not yet prepared to spread to subsidiaries
   ___ Difficulty due to local environment (e.g., cultural, regulatory)
   ___ Other (please specify)_____________________
   ___ Unsure

7b. If answer “2 – 5”:

   What actions is your company taking to spread its commitment to the Global Compact throughout subsidiaries? Select all that apply:

   ___ Conduct training and awareness-raising sessions for subsidiaries
   ___ Connect Global Compact principles to local priority issues
   ___ Establish Corporate Responsibility position (or similar) in subsidiaries
   ___ Monitor and evaluate subsidiary actions through reporting to headquarters
   ___ Encourage subsidiaries to join Global Compact Local Networks
   ___ Encourage subsidiaries to engage in multi-stakeholder consultations
   ___ Engage in partnerships at local level through subsidiaries
8. To what extent do you consider adherence to the Global Compact principles by supply chain partners? Note: “Adherence” does not require the supplier to be a participant of the Global Compact.

On a scale of 1 to 5: 1=Not considered, 5=Required (select only one choice):
___1 (Not considered)
___2
___3
___4
___5 (Required)

8a. If answer “1”:

For what reason(s) do you not consider adherence to the Global Compact principles by supply chain partners? Select all that apply:
___Lack of financial resources
___Lack of capacity
___Corporate responsibility data not available
___Lack of knowledge on how to integrate principles into procurement practices
___No clear link to business value
___Not a priority
___Other (specify) __________________
___Unsure

8b. If answer “2 – 5”:

What actions does your company take to advance supplier adherence to Global Compact principles? Select all that apply:
___Include corporate responsibility expectations in relevant documents (e.g. contracts, purchase orders)
___Conduct corporate responsibility due diligence on potential suppliers
___Train relevant staff (e.g. legal, product developers) on supply chain sustainability.
___Incorporate responsible purchasing practices into procurement staff training
___Reward suppliers that perform well on business and corporate responsibility criteria
___Assist suppliers with setting and reviewing goals
___Provide training for suppliers on relevant issues
___Provide resources to suppliers for specific improvement projects
___Facilitate supplier engagement with stakeholders (e.g., civil society, government)
___Collaborate with other organizations to align supply chain sustainability standards
___Other (specify) __________________
___None
___Unsure

How does your company assess adherence to Global Compact principles by supply chain partners? Select all that apply:
___Audits by company staff
___Audits by third party
___Self-assessment questionnaire
___Regular business review
___Review publicly available sustainability reports, certifications or website
___Review documentation provided by supply chain partner that is not publicly available
___Verification of remediation activities
___Other (specify) __________________
___Unsure
8c. If answer “Conduct corporate responsibility due diligence on potential suppliers” above:

For which entities in the supply chain do you conduct corporate responsibility due diligence?
Select all that apply:

__First tier suppliers
__Second tier suppliers
__All tiers
__Largest suppliers based on size of contract
__Suppliers identified based on a risk assessment
__Other (please specify)

9. Do you have a public policy strategy in relation to your corporate responsibility commitments?

___Yes
___No
___Unsure

If answer “Yes”:

What are the characteristics of this public policy engagement? Select all that apply:

___Publicly advocate for action in relation to the Global Compact principles and/or other UN goals
___Company leaders participate in conferences and other public policy interactions relating to the Global Compact principles and/or other UN goals
___Align traditional government affairs activities (i.e. lobbying) with corporate responsibility commitments
___Regional or local public policy activities
___Other (specify) __________________
___Unsure
SECTION II
IMPLEMENTING THE TEN PRINCIPLES

Note: This is not an evaluation of your company's policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

Note on terminology: The terms corporate responsibility and corporate sustainability are used interchangeably in this survey – and are defined as a company's delivery of long-term value in financial, social, environmental and ethical terms – covering all ten principles of the Global Compact.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

1. Do you have policies or practices in place related to Human Rights?
   ___Yes
   ___No

2. How does your company take the human rights principles into account in its policies or practices?
   Select all that apply:
   ___Set of corporate principles on human rights specifically
   ___Within an overall corporate code or principles
   ___Human rights risk assessment
   ___Human rights impact assessment
   ___Operational guidance notes
   ___Complaint mechanism
   ___Training and awareness programmes for employees
   ___Supply chain and subcontracting arrangements
   ___Employee performance assessment
   ___Monitor and evaluate performance
   ___Public disclosure of human rights policies and practices
   ___Participate in industry or issue-specific initiatives
   ___Multi-stakeholder dialogue
   ___Other (specify) __________________
   ___Unsure

3. To which groups do your company’s human rights policies or practices apply? Select all that apply:
   ___Employees
   ___Employee representatives (e.g. trade unions)
   ___Subsidiaries
   ___Suppliers
   ___Other business partners
   ___Communities surrounding company's operations
   ___Government
   ___Customers
   ___Other (specify) __________________
   ___Unsure
4. Which aspects of human rights are addressed in your company’s policies or practices? Select all that apply:

- Life, liberty and security of the person
- Forced labour
- Child labour
- Right to privacy
- Non-discrimination
- Workplace health and safety
- Adequate standard of living
- Health
- Freedom of association and other rights at work
- Forced displacement
- Other (specify) __________________
- Unsure

5. To what extent does your company address the rights of each of the following groups in the workplace, marketplace and community? On a scale of 1 to 5: 1=Not addressed, 5=Fully addressed in strategies and policies.

- Women
- Children
- Youth
- Older persons
- Indigenous peoples
- Persons with disabilities
- Lesbian, gay, bisexual, and transgender individuals

6. To what extent has the Global Compact influenced your work to address human rights? Select only one choice.

- 1: None
- 2: Minimal
- 3: Moderate
- 4: Significant
- 5: Essential
Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and

1. Do you have policies or practices in place related to Labour?
   ___Yes
   ___No

2. How does your company take the labour principles into account in its policies or practices? Select all that apply:
   ___Recognize that all workers are free to form and join a trade union of their choice
   ___Policy not to use or benefit from forced labour
   ___Policy not to use or benefit from child labour
   ___Non-discrimination policy
   ___Equal opportunity policy
   ___Policy to ensure safe working conditions
   ___Other (specify) __________________
   ___Unsure

3. Which groups are given consideration in your company’s policies and practices concerning labour standards? Select all that apply:
   ___Employees
   ___Employee representatives (e.g. trade unions)
   ___Temporary employment
   ___Subsidiaries
   ___Suppliers
   ___Other business partners
   ___Communities surrounding company’s operations
   ___Government
   ___Customers
   ___Other (specify) __________________
   ___Unsure

4. What actions does your company take to implement the labour principles? Select all that apply:
   ___Participate in institutional framework for industrial relations and collective bargaining
   ___Working conditions and terms of employment are addressed through collective bargaining
   ___Labour rights risk assessment
   ___Labour rights impact assessment
   ___Take steps to avoid exclusion of union members from employment
   ___Reliable mechanisms for age verification
   ___Support vocational training and counseling programmes
   ___Training and awareness programmes for employees
   ___Supply chain and subcontracting arrangements
   ___Monitor and evaluate performance
   ___Public disclosure of labour policies and practices
   ___Participate in industry or issue-specific initiatives
   ___Multi-stakeholder dialogue
   ___Other (specify) __________________
   ___Unsure
5. To what extent has the Global Compact influenced your work to address labour rights? Select only one choice.

___1: None
___2: Minimal
___3: Moderate
___4: Significant
___5: Essential
Environment

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

1. Do you have policies or practices in place related to Environment?
   ___Yes
   ___No

2. How does your company take the environmental principles into account in its policies or practices?
   Select all that apply:
   ___Voluntary charters or codes
   ___Performance targets and indicators
   ___Cleaner and safer production objectives
   ___Sustainable consumption and responsible use objectives
   ___Other (specify) __________________
   ___Unsure

3. To which groups do your company’s environmental policies and practices apply? Select all that apply:
   ___Employees
   ___Subsidiaries
   ___Suppliers
   ___Production sites owned by company
   ___Customers
   ___Other business partners
   ___Communities surrounding company’s operations
   ___Other (specify) __________________
   ___Not applicable
   ___Unsure
4. What actions does your company take to implement the environmental principles? Select all that apply:

___Environmental management systems
___Life-cycle assessment and costing
___Water footprinting
___Environmental risk assessment
___Environmental impact assessment
___Eco-design
___Resource efficiency
___Use environmentally-friendly technologies and solutions
___Emissions trading
___Training and awareness programmes for employees
___Supply chain and subcontracting arrangements
___Monitor and evaluate performance
___Report greenhouse gas emissions and strategic climate change data
___Public disclosure of environmental policies and practices
___Participate in industry or issue-specific initiatives
___Multi-stakeholder dialogue
___Other (specify) _________________
___Unsure

5. To what extent does your company address each of the following issues? On a scale of 1 to 5: 1=Not addressed, 5=Fully integrated into company strategy and operations

___Climate change
___Water
___Biodiversity
___Food and agriculture
___Renewable energy sources

6. To what extent has the Global Compact influenced your work to address the environment?

___1: None
___2: Minimal
___3: Moderate
___4: Significant
___5: Essential
Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

1. Do you have policies or practices in place related to Anti-corruption?
   ___Yes
   ___No

2. How does your company take the anti-corruption principle into account in its policies or practices? Select all that apply:
   ___Explicit policy addressing anti-corruption
   ___Within an overall corporate code or principles
   ___Zero-tolerance policy towards corruption
   ___Specialized unit within the company (e.g. an ethics/compliance officer, oversight board)
   ___Pre-approval of facilitation payments required
   ___Political donations publicized
   ___Policies limiting the value of gifts
   ___Policies on donations to charitable organizations
   ___Policy against collusion
   ___Other (specify) __________________
   ___Unsure

3. To which groups do these anti-corruption policies and practices apply? Select all that apply:
   ___Employees
   ___Subsidiaries
   ___Suppliers
   ___Other business partners (e.g. agents)
   ___Communities surrounding company’s operations
   ___Government
   ___Customers
   ___Other (specify) __________________
   ___Unsure

4. What actions does your company take to implement the anti-corruption principle? Select all that apply:
   ___Management systems addressing bribery and anti-corruption
   ___Corruption risk assessment
   ___Corruption impact assessment
   ___Anti-corruption policy is publicly accessible
   ___Anonymous hotline for reporting of corruption instances
   ___Sanction system for corruption breaches by employees
   ___Country Managers sign “no bribery” certifications
   ___Terminate contracts with suppliers if corruption occurs
   ___Training and awareness programmes for employees
   ___Supply chain and subcontracting arrangements
   ___Record instances of corruption
   ___Record facilitation payments and gifts
   ___Monitor and evaluate performance
   ___Public disclosure of anti-corruption policies and practices
   ___Engage in collective action
   ___Participate in industry or issue-specific initiatives
   ___Multi-stakeholder dialogue
   ___Other (specify) __________________
   ___Unsure
5. To what extent has the Global Compact influenced your work to address anti-corruption?

___1: None
___2: Minimal
___3: Moderate
___4: Significant
___5: Essential
**SECTION III**

**CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS**

Note: This is not an evaluation of your company’s policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

Note on terminology: The terms corporate responsibility and corporate sustainability are used interchangeably in this survey – and are defined as a company’s delivery of long-term value in financial, social, environmental and ethical terms – covering all ten principles of the Global Compact.

1. Does your company take actions to advance the UN’s Sustainable Development Goals through core business, philanthropy, advocacy or partnership activities?
   ___Yes
   ___No

**If yes:** Does your company take actions to:

**Core business:**
___Align core business strategy with one or more relevant UN goals / issues
___Develop products and services or design business models that contribute to UN goals / issues

**Social investment and philanthropy:**
___Pursue social investments and philanthropic contributions that tie in with the core competencies
___Coordinate efforts with other organizations – and not negate or unnecessarily duplicate – efforts
___Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups

**Advocacy:**
___Publicly advocate the importance of action in relation to one or more UN goals / issues
___Participate in key summits and other important public policy interactions in relation to one or more UN goals / issues

**Partnerships:**
___Develop and implement partnership projects with public or private organizations

**If “Develop and implement partnership projects with public or private organizations” selected:**

What types of organizations have you partnered with? Select all that apply:
___Government
___United Nations
___Other multilateral organization
___Company
___Non-governmental organization
___Academia
___Industry associations
___Other (specify) __________________

At what level(s) within the company do your partnership projects occur? Select all that apply:
___Global partnership
___Local partnership
2. Which of the following SDGs do your activities target? Select all that apply:

___SDG 1. No poverty
___SDG 2. Zero hunger
___SDG 3. Good Health and Well-Being
___SDG 4. Quality Education
___SDG 5. Gender equality
___SDG 6. Clean water and sanitation
___SDG 7. Affordable and clean energy
___SDG 8. Decent Work and Economic Growth
___SDG 9. Industry, Innovation and Infrastructure
___SDG 10. Reduce inequalities
___SDG 11. Sustainable Cities and Communities
___SDG 12. Responsible Consumption and Production
___SDG 13. Climate action
___SDG 14. Life below Water
___SDG 15. Life on Land
___SDG 16. Peace, Justice and Strong Institutions
___SDG 17: Partnerships for the Goals
___None
___Unsure

3. For which SDGs can business, generally speaking, have the greatest impact?

On a scale of 1 to 3, where 1=Low, 2=Moderate, and 3=High

___SDG 1. No poverty
___SDG 2. Zero hunger
___SDG 3. Good Health and Well-Being
___SDG 4. Quality Education
___SDG 5. Gender equality
___SDG 6. Clean water and sanitation
___SDG 7. Affordable and clean energy
___SDG 8. Decent Work and Economic Growth
___SDG 9. Industry, Innovation and Infrastructure
___SDG 10. Reduce inequalities
___SDG 11. Sustainable Cities and Communities
___SDG 12: Responsible Consumption and Production
___SDG 13. Climate action
___SDG 14. Life below Water
___SDG 15. Life on Land
___SDG 16. Peace, Justice and Strong Institutions
___SDG 17: Partnerships for the Goals

4. Please share any quantitative data related to your activities to support the SDGs in the past year.
SECTION IV
LOCAL NETWORKS

Note: This is not an evaluation of your company’s policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

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1. Is your company engaged in a Global Compact Local Network?
   ___ Yes
   ___ No
   ___ Unsure

   If yes:

   How does your company engage in your Local Network(s)? Select all that apply:

   ___ Receives assistance with implementation of the Global Compact principles
   ___ Receives assistance with Communication on Progress (COP)
   ___ Participates in policy dialogue
   ___ Shares practices and experiences with peers
   ___ Engages in collective action
   ___ Networks with non-business stakeholders
   ___ Networks with other companies
   ___ Involved in Local Network governance
   ___ Other (please specify)
   ___ Unsure

   For each choice selected:

   How helpful is this engagement to your company?
   On a scale of 1 to 5: 1= Not helpful, 5= Extremely helpful (select only one choice):
   ___ 1 (Not helpful)
   ___ 2
   ___ 3
   ___ 4
   ___ 5 (Extremely helpful)

   If no:

   Why is your company not engaged in a Global Compact Local Network? Select all that apply:
   ___ Not aware of a Local Network in my country
   ___ Engage directly with the GC at the global level
   ___ Insufficient time/capacity to engage in Local Network
   ___ Activities do not meet my expectations
   ___ Does not add value to company’s overall corporate responsibility agenda
   ___ Local Network has restrictive entry criteria (e.g. fees)
   ___ Other (please specify)
   ___ Unsure
SECTION V

SUSTAINABILITY REPORTING

Note: This is not an evaluation of your company’s policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

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1. Has your company reported on its sustainability performance?
   ___Yes
   ___No

If yes:

How does your company benefit from sustainability reporting? Select all that apply:

___Helps integrate corporate responsibility commitment into business operations
___Enhances commitment by the CEO
___Enhances stakeholder relations
___Promotes internal information sharing among departments
___Demonstrates active participation in the Global Compact
___Improves corporate reputation
___Provides information for investors to evaluate sustainability performance
___Does not benefit
___Other (please specify)
___Unsure

What challenges does your company face in sustainability reporting? Select all that apply:

___Lack of standard performance metrics
___Too many reporting standards and frameworks
___Insufficient internal process to monitor, measure and report
___Company structure not conducive to internal reporting/information sharing
___Lack of experience with public reporting
___Lack of resources
___Not a priority within the company
___Other (please specify)
___None
___Unsure

Does your company integrate its sustainability metrics and/or performance into its annual financial report?

___Yes
___No
___No, but we plan to in the coming years
___Not applicable (e.g., company does not produce annual financial report)

OPTIONAL: Based on the benefits and challenges of reporting identified above, do you have any recommendations for improving the Global Compact’s Communication on Progress (COP) requirements and submission process?
[Free text]
SECTION VI

ASSESSMENT & PROGRESS

Note: This is not an evaluation of your company’s policies and performance. The survey is strictly used for information gathering and it is important to answer accurately. All information provided will be treated in strict confidence.

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1. The Global Compact recognizes that implementing universal principles into business strategy, culture and operations can be a long-term process and encourages participants to follow a path of continuous improvement.

   Overall, how would you describe your company’s current level of implementation of the Global Compact’s ten principles?

   On a scale of 1 to 5: 1= Beginner, 5= Advanced performer (select only one choice):
   ___1 (Beginner)
   ___2
   ___3
   ___4
   ___5 (Advanced performer)

2. Overall, to what extent has participation in the Global Compact helped advance corporate responsibility policies and/or practices within your company?

   On a scale of 1 to 5: 1=No impact, 5=Would not have happened without being a participant (select only one choice):
   ___1: No impact
   ___2: Minimally helped advance efforts
   ___3: Moderately helped advance efforts
   ___4: Significantly helped advance efforts
   ___5: Advancement would not have happened without being a participant

3. To what extent do you agree with the following statements.

   On a scale of 1 to 5: 1=Strongly disagree, 5=Strongly agree (select only one choice):

   The Global Compact has played an important role in...

   _____shaping our company’s vision
   _____driving our implementation of sustainability policies and practices
   _____guiding our corporate sustainability reporting
   _____motivating our company to advance broader UN goals and issues, such as the Sustainable Development Goals
4. What challenges does your company face in advancing to the next level of implementation of the Global Compact’s principles? Select all that apply:

___Lack of financial resources
___Lack of support from top management
___Competing strategic priorities
___Lack of knowledge
___No clear link to business value
___Lack of recognition from investors
___Implementing strategy across business functions
___Extending strategy throughout the supply chain
___Extending strategy throughout subsidiaries
___Difficulty due to operating environment (e.g., conflict area, poor state governance)
___Other (specify) ____________________
___Nothing
___Unsure

5. In your view, how significant has the Global Compact been in spreading the practice of corporate sustainability worldwide?

___No impact
___Minimal
___Moderate
___Significant
___Essential

6. Please rank the top 5 areas in which the Global Compact should focus its efforts. Please select 5 responses and then rank your responses in order of importance from 1 – 5, with 1 being the most important reason.

___Promote universal values and principles to business
___Advocate for global and national policies that support corporate sustainability
___Increase capacity of Local Networks
___Provide guidance for companies on how to implement sustainability into business strategies and operations
___Establish stronger linkages with investors, educators and consumers
___Collect and share good practice examples
___Promote multi-stakeholder approach to addressing sustainability issues
___Develop action platforms by issue or sector
___Provide collective action opportunities
___Other (specify) ____________________
___Nothing
___Unsure
7. The UN Global Compact is considering the introduction of new digital services and resources, of the following please rank the top 5 in terms of anticipated positive impact for your organization. Please select 5 responses and then rank your responses in order of importance from 1 – 5, with 1 being the most important reason.

- Education and courses with certification options for course completion
- Online interviews and live Q&As with sustainability leaders and experts, such as the SDG pioneers,
- Digital kit of resources (talking points, communications templates, social media tips, guidance on interacting with governments and media, etc.)
- Ability for your organization to showcase sustainability and SDG achievements through the UN Global Compact website
- UN Global Compact smartphone app with mobile-specific features including downloadable multimedia, location-based services, push notifications, and more
- Webinars and other brief “snackable” multimedia content
- Online interactive forums focused on leading practices
- Online matchmaking services to connect your organization with potential collaborators
- News and awareness communications customized to your industry and your sustainability and SDG focus areas
- Dashboard with detailed performance benchmarking in peer context
- Automated support for COP filing
- New online channels for direct collaboration with the UN Global Compact
- Advanced methods for experiencing strategic events and other meetings (e.g. through live website telecast or virtual reality)
SECTION VII

BASIC COMPANY INFORMATION

1. Where is your company located?
   ____________________________________________________________________________

2. Is your company a subsidiary?
   ___ Yes
   ___ No

   *If yes: Where is your parent company headquartered?*
   ____________________________________________________________________________

3. How many people does your company employ, including all locations?
   ___ 10 – 249
   ___ 250 – 4,999
   ___ 5,000 – 50,000
   ___ >50,000

4. What are your company’s annual revenues (in US$)?
   ___ <25 million
   ___ 25 – 250 million
   ___ 250 million – 1 billion
   ___ >1 billion

5. Which of the following best describes your company? Select all that apply:
   ___ Privately owned
   ___ Publicly traded
   ___ Partially state-owned enterprise
   ___ Fully state-owned enterprise
   ___ Other (please specify)

6. Please indicate your industry: __________________________________________________

7. When did your company join the Global Compact?
   ___ 2000
   ___ 2001
   ___ 2002
   ___ 2003
   ___ 2004
   ___ 2005
   ___ 2006
   ___ 2007
   ___ 2008
   ___ 2009
   ___ 2010
   ___ 2011
   ___ 2012
   ___ 2013
   ___ 2014
   ___ 2015
   ___ 2016
   ___ 2017
8. Please specify your corporate department/position:

___Board of Directors
___Chief Executive
___Sustainability/Corporate Responsibility
___Human Resources
___Sales & Marketing
___Environment, Health & Safety
___Operations
___Public Affairs/Communications
___Legal/Compliance
___Finance/Accounting
___Business Development
___Logistics/Supply Chain
___Consultant
___Other

We thank you for your time spent taking this survey.