Corporate Social Responsibility – Maximising shareholder value
11 April 2012

Good morning ladies and gentlemen. It is my pleasure to **welcome** you and formally open this conference on Corporate Social Responsibility, entitled – Maximizing Shareholder value.

I would particularly like to thank the Permanent **Secretary of Labour and Welfare**, Mr Paul Tang, our **European Consuls-General**, distinguished Members of the **European Economic and Social Committee**, led by Mr **Peter Clever,** who travelled from many different European countries to share their experiences, our partner Professor Fanny Cheung the **Director of the Hong Kong Institute of Asia Pacific studies**, Christine Loh, CEO of **Civic Exchange**, and our partner John Sayer, **DG of Oxfam Hong**.

We are lucky to have a **rich and varied panel**, bringing together valuable experience and insights from a broad cross section of European and Hong Kong stakeholders. I am pleased that the panels include policy makers, businesses, academics, think-tanks and other key civil society players.

This rich forum reflects the **importance of corporate social responsibility for all** of us. "CSR" is a process whereby companies integrate social, environmental and ethical issues into their business operations and strategy. **Companies are the pioneers**. They voluntarily pursue social and environmental concerns that go further than laws or other norms, because **it is in their interest to do so**.

I also believe that CSR continues to be important in the European Union's efforts to see itself **through the economic crisis**, which has left us with higher unemployment with many young people out of work, and with pressure on the public budgets.

Now, CSR can play a part in helping the economy and society at large to address those challenges.

The backdrop of the recession, and the fact that the CSR world is moving on, have prompted the EU to re-visit and update its approach. Ms Evelyn Pichenot will present "**A renewed EU strategy 2011-14 for Corporate Social Responsibility".**

The Commission has written this to address anew how sustainable business models can lead to **long-term benefits for business**. It also highlights how CSR can contribute to a more cohesive society through, for example, stemming job losses and creating the basis for a more job-friendly future.

This sits in the context of ongoing implementation of Europe 2020, the **strategy for smart, sustainable and inclusive growth** — to turn Europe into the sort of place Europeans want to live in by 2020.

One of the most important developments in CSR policy is its greater **international focus**. The EU wishes to **build on this momentum**, not necessarily by creating our own CSR standards and guidelines for enterprises operating internationally, but by filling the gaps in what exists already and playing an active part in further developments.

Corporate Social Responsibility is multi-dimensional covering cross-cutting areas including the following:

- **human rights, labour and employment practices** (such as training, diversity, gender equality and employee health and well-being),
- **environmental** issues (such as biodiversity, climate change, resource efficiency, life-cycle assessment and pollution prevention),
- combating bribery and corruption,

- **Community involvement** and development, including volunteering and the integration of disabled persons and marginal groups,
- **Consumer** interests, including privacy.
- promotion of social and environmental responsibility through the **supply-chain**,
- disclosure of **non-financial information**

I believe this conference in Hong Kong, a hub for the free exchange of ideas, is a good platform to enrich the dialogue and share best practice. I am convinced that by business practice embracing social awareness more closely today, we collectively **build a better future tomorrow.** My very best wishes for this conference today.

Speech by Danish Consul-General, Mr Torben Gettermann

CSR clearly is a topic that sparks passion in people and at times also passionate discussions and reactions.
In the news over the last couple of weeks we have seen a major company not far from here attracting some less pleasant headlines that have a lot to do with what this seminar is all about.
CSR may seem to be something rather intangible but there are actually three very good reasons to incorporate CSR in a company's vision, mission and daily work. They are
First - The instrumental reason = money
An analysis has shown that earnings are up to 25% higher in companies that work strategically with CSR compared to companies that don't .
Secondly - The institutional reason – stakeholders' expectations
Examples are by now numerous of companies seeing decreased sales or a deteriorating image because of noncompliance with CSR. So we are talking issues such as accountability and transparency.
A company should be transparent in its decisions and activities that impact on society and the environment.
And
Thirdly - The emotional reason - ethics – and to put simply: it's the right thing to do.
It has to do with integrity, having a code of conduct, having respect for human rights and the rule of law to name but a few.
Also in a Danish context we are working with CSR and locally here in Hong Kong and on the Chinese mainland last year we introduced a quite successful project called my "Danish Foot Print". Among other things the project resulted in a booklet in which 45 Danish companies highlighted how they have incorporated the principles of CSR in their operations also in this part of the world. It was used to actively promote these companies in China and of course also as a more general Danish public diplomacy effort.
Making CSR a part of a company's DNA is fundamental to producing a change in behaviour but it is undoubtedly also quite a challenge to do

so. It entails a change of the mind set on all levels of a company – in essence a shared commitment by everyone to make it an integral part of their everyday work.
Among us today are European companies who have managed this transformation successfully. I am sure that in the course of this morning we shall be hearing many different points of view on these topics.
Summing it up - CSR is not about philanthropy – it's not about how you spend your money. It's about how you make the money!