

Human Rights: The Foundation of Sustainable Business

In celebration of the 70th Anniversary of the
Universal Declaration of Human Rights



United Nations
Global Compact



REFLECTIONS ON HUMAN RIGHTS AND SUSTAINABLE BUSINESS

On 10 December 2018, the world celebrates the 70th anniversary of the [Universal Declaration of Human Rights \(UDHR\)](#). Drafted in 1948 in the aftermath of World War II, the Universal Declaration remains as relevant today as ever before, presenting an ambitious vision for a world in which all human beings live in dignity and freedom.

Over the past 70 years, the concept of human rights set out in the Universal Declaration has had a revolutionary impact. As the first article of the Universal Declaration clearly states: "All human beings are born free and equal in dignity and rights" — independent of nationality, circumstances, gender, sexual orientation, race, religion or belief. By setting the standard for human rights globally, the Universal Declaration has inspired movements by groups of all kinds, from indigenous peoples to persons with disabilities, to claim their rights.

Yet despite important progress, there is still a long way to go before respect for human rights is truly universal. We are far from achieving freedom from slavery and servitude with 40 million people still in modern slavery around the world, and it is estimated that it will take another 217 years to close the economic gender gap.

The Universal Declaration has particular relevance to the business community. Two of the [Ten Principles of the UN Global Compact](#) are derived directly from the Universal Declaration, calling on business to support and respect the protection of internationally proclaimed human rights (Principle 1) and make sure that they are not complicit in human rights abuses (Principle 2).

At the same time, the Universal Declaration is also of central importance to the 2030 Agenda for Sustainable Development. As the founder of the UN Global Compact, former UN Secretary-General Kofi Annan said, "The human family will not enjoy development without security, will not enjoy security without development, and will not enjoy either without respect for human rights." There is not a stand-alone "human rights" goal among the 17 Sustainable Development Goals, because human rights are foundational to all of the Goals. The General Assembly declared that the whole of the 2030 Agenda "seek[s] to realize the human rights of all and to achieve gender equality and the empowerment of all women and girls." A [review](#) by the Danish Institute for

Human Rights found that over 90 per cent of the 169 targets of the Global Goals are linked to international human rights and labour standards.

At the UN Global Compact we continue to be at the forefront of mobilizing and challenging the international business community to do its part to help create the world we all want. We have called on businesses to adopt a principles-based approach that places human rights at the centre of their strategy. Meaningful business action on the Global Goals is not about just finding an easy entry point. The deep changes needed to achieve the Goals will require transforming value systems, establishing a culture of integrity and aligning business practices with universal principles.

In the lead up to the 70th anniversary, the UN

The UN Global Compact is calling on businesses to adopt a principles-based approach that places human rights at the centre of their strategy.

Global Compact has worked to elevate and scale our engagement with business in the area of human rights — from standing up for human rights [together with our Board](#), to hosting training sessions on the [Academy learning platform](#) including with the former High Commissioner for Human Rights, to convening a [CEO Roundtable on human rights and inequalities](#) during the UN General Assembly week attended by more than 30 CEOs from around the world.

Each year, the UN Global Compact publishes a [Progress Report](#) which provides an overview of how participating companies are adopting the Ten Principles and taking action to help deliver on the Global Goals. The 2018 Report confirms the extent to which human rights are an essential part of doing business — 92 per cent



Eleanor Roosevelt of the United States holding a Universal Declaration of Human Rights poster in Lake Success, New York on 1 November 1949

of survey respondents reported having policies and practices in place on human rights. However, it also reveals clear opportunities for businesses to deepen their efforts to respect and support human rights throughout their supply chains and operations. For example, in 2018 approximately 27 per cent of companies reported performing risk assessments directly linked to human rights, with only 17 per cent conducting impact assessment linked to human rights — both clear entry points for strengthening business engagement in this area.

In this respect, the work done by Global Compact Local Networks is of vital importance. By advancing the mission of the UN Global Compact at the national and regional level, more than 70 Local Networks around the world play a central role in driving the business and human rights agenda on the ground. In 2018, Local Networks have been advocating for business leaders to stand up for human rights, promoting uptake of the [UN Guiding Principles on Business and Human Rights](#) and convening human rights-focused CEO Roundtables around the world — from Argentina and Turkey, to Poland and the United States.

It is important to celebrate the progress that has been made, while at the same time recognizing and addressing the critical human rights challenges that we continue to face today. This report highlights how the UN Global Compact is working with our business participants and other partners to advance human rights, including a compilation of company examples, key resources and relevant activities at the global and local levels. It is our hope that this snapshot inspires others to move from commitment to action, to challenge our ways of doing things and to take up the torch for human rights.

Together, we can keep the Universal Declaration alight for another 70 years and beyond, providing a path to a world of peace, dignity and opportunity for all.



Lise Kingo
CEO & Executive Director,
United Nations Global Compact

“ Businesses already have a framework in the form of the UN Guiding Principles on Business and Human Rights, and a timetable in the form of the 2030 Agenda for Sustainable Development. There is no more crucial way for businesses to contribute than to ensure respect for human rights throughout their supply chains at every step of their business operations.

— Michelle Bachelet, UN High Commissioner for Human Rights (during the [UN Global Compact Leaders Summit CEO Roundtable](#) on human rights, chaired by the UN Deputy Secretary-General)



CONTENTS

ENGAGING BUSINESS LEADERSHIP IN SUPPORT OF HUMAN RIGHTS	6
LOCAL ENGAGEMENT	8
TAKING ACTION	14
PART 1: IMPLEMENTING THE UN GUIDING PRINCIPLES	15
PART 2: EMPOWERING COMMUNITIES AND WORKERS – SOCIAL DIALOGUE, INCLUSION AND JOB-CREATION	18
THE ROAD AHEAD	23

Acknowledgements

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ENGAGING BUSINESS LEADERSHIP IN SUPPORT OF HUMAN RIGHTS

Strong business leadership from senior leadership is essential to ensure that respect for human rights is embedded in the heart of business strategy and operations. The importance of leadership from the top is emphasized by the UN Guiding Principles on Business and Human Rights, which require that businesses express their commitment to respect human rights through a statement of policy approved at the most senior level.

In celebration of the 70th anniversary of the Universal Declaration of Human Rights, leadership of UN Global Compact participating companies, along with UN Global Compact Board Members, took a public stand for human rights.



UN Global Compact Board Members, Geneva, Switzerland, 2017



“ Sustainability is about impact on people and by people. Business respect for human rights can drive positive change not just within a company’s operations but in the wider community. ”

— Bola Adesola (CEO of Standard Chartered Bank Nigeria; Co-Vice Chair of the UN Global Compact Board)

“ Every day that we don’t set the bar higher for human rights is a failure to millions of people. If we want scale for impact, especially in the area of human rights, we need to have the courage to have transparency and reporting. ”

— Paul Polman (CEO of Unilever; Co-Vice Chair of the UN Global Compact Board)



CHIEF EXECUTIVES STAND UP FOR HUMAN RIGHTS

“ I see human rights as a cross-cutting issue across all the Global Goals. We all — businesses, Governments, civil society and individuals — need to work to improve human rights, globally, in order to have a chance of achieving the Goals.

— Simon Segars (CEO of ARM Holdings)



“ Unless you address gender equality, you aren't even going to begin to start changing any form of basic human rights in the countries we work in.

— Alice Laugher (CEO of CTG; 2018 UN Global Compact SDG Pioneer)



“ Poverty is total. It destroys families and societies alike. It disturbs stability and peace. We want to disrupt the value chains that perpetuate poverty and inequality and instability. We want to stop them from moving from one generation to the next.

— Ren Hongbin (Chairman of Sinomach; UN Global Compact Board Member)



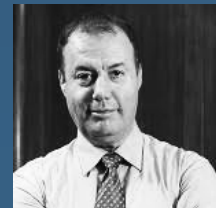
“ Our company specific and industry-wide efforts are critical in advancing and inspiring action for the Global Goals through a principles based approach that acknowledges and safeguards the rights of the marginalized. Promoting gender equality will ultimately create an enabling environment for both business and society to thrive.

— Flora Mutahi (Founder and CEO of Melvin Marsh International Limited; UN Global Compact Board Member)



“ Leaving no one behind means prioritizing human beings' dignity and placing the progress of the most marginalized communities first. We need to recognize that the dignity of the individual is fundamental to identify, support and empower marginalized and vulnerable groups worldwide.

— Maurizio Bezzeccheri (CEO of Enel Argentina)



“ At Chalhoub, we are placing the Sustainable Development Goals at the heart of our Group strategy. Human Rights are intrinsically linked to all the SDGs, they are fundamental to conduct a sustainable business and key to respect people and our society

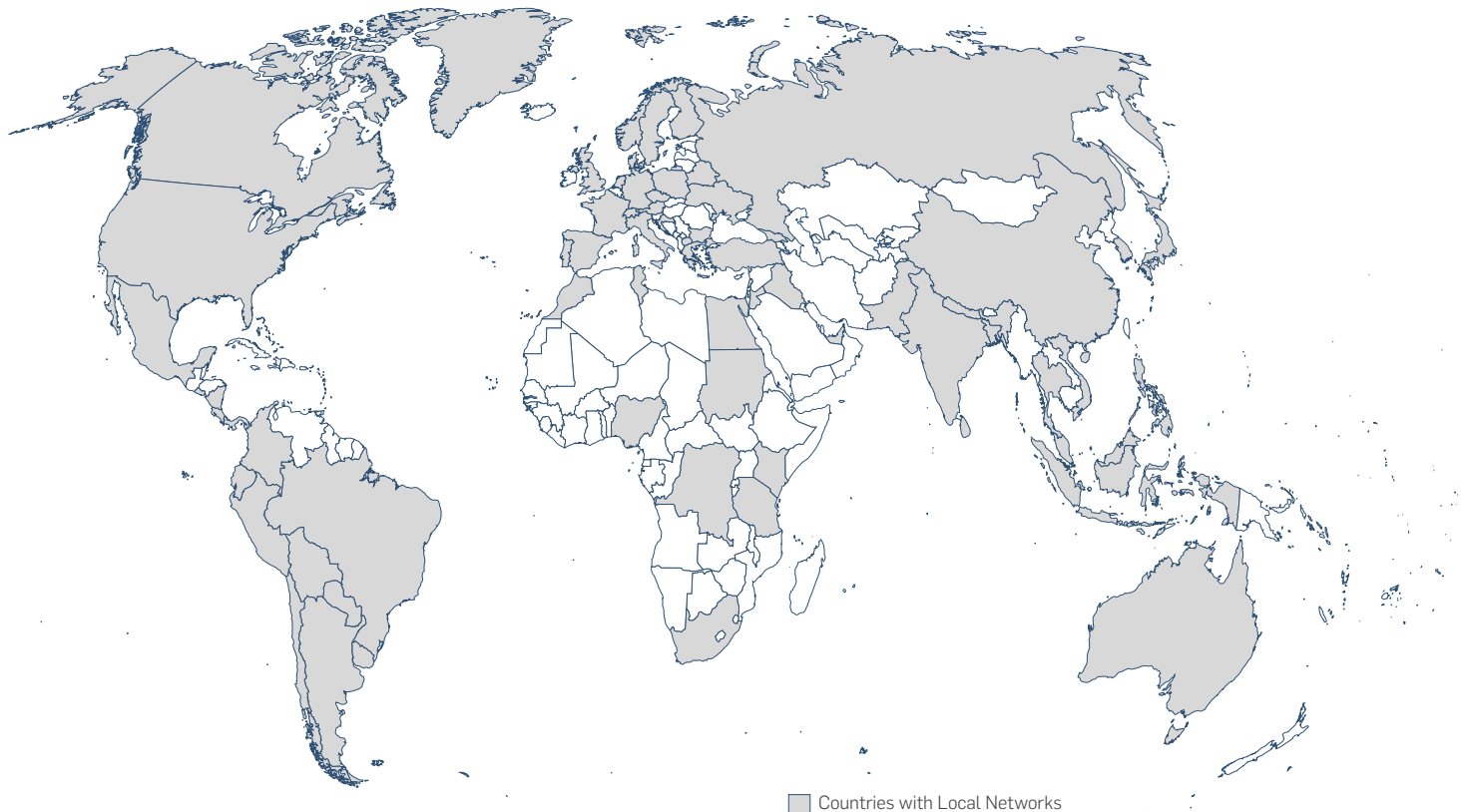
— Patrick Chalhoub (CEO of Chalhoub Group; UN Global Compact Board Member)



LOCAL ENGAGEMENT

More than 70 Global Compact Local Networks advance the Ten Principles of the UN Global Compact at the country level, and help companies understand what responsible business means within different national, cultural and language contexts. They facilitate outreach, learning, policy dialogue, collective action and partnerships. Through these networks, companies receive guidance on transforming their sustainability commitments into action. They also have the opportunity to make local connections with other businesses and stakeholders from the UN, civil society organizations, Government and academia. Local Networks work closely with the UN Global Compact Office in New York, functioning as a point of contact for UN Global Compact participants in their countries.

Local Networks focus on five key areas of systematic business engagement: awareness raising, capacity building, recognizing leadership, policy dialogue and multi-stakeholder partnerships. The following section provides a snapshot of the diverse and multifaceted activities undertaken by Local Networks around the world across each of these five areas in the field of business and human rights.





The United Nations is counting on business leaders to bring these issues back to your respective countries. We welcome your engagement in your countries' Global Compact Local Networks and urge all of you to explore ways that you can better work with the UN system at the country level to truly make the Global Goals local business.

— Amina J. Mohammed, UN Deputy Secretary-General
(during the [UN Global Compact Leaders Summit CEO Roundtable on human rights](#))



AWARENESS RAISING

SPAIN — IMPLEMENTING THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The [Global Compact Network Spain](#) is supporting small and medium-sized enterprises (SMEs) in their efforts to implement the UN Guiding Principles on Business and Human Rights.

Activities include:

- Online courses providing simple and practical guidelines for SMEs to apply the UN Guiding Principles
- An implementation tool providing SMEs with easy-to-use resources, such as human rights policy templates; the tool also supports SMEs in carrying out human rights risk assessments
- Numerous human rights training projects for suppliers of large Spanish companies, whose supply chains largely consist of SMEs; more than 700 suppliers have completed the training so far

In addition, the Local Network Spain carries out an annual study to analyze the state of implementation of the UN Guiding Principles among the leading companies belonging to the country's main stock exchange index, the IBEX 35. The aim of the annual study is to raise awareness among Spanish companies, public institutions and society in general about the UN Guiding Principles and the Spanish National Action Plan on Business and Human Rights. These studies have been used in the work of different parliamentary committees in Spain and have been prominently featured in Spanish corporate sustainability media.



CAPACITY BUILDING

GERMANY — MAKING COMPANIES FIT FOR THE NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS

A business may have a range of policies and measures in place to address their responsibility to protect human rights. However, developing a systematic approach to comprehensively assess and address human rights impacts in their operations — and especially in their value chains — is not an easy task. To support companies of all sizes in their endeavor to respect human rights, the [Global Compact Network Germany](#) offers a number of capacity building trainings.

the requirements set out by the German Government in their National Action Plan on Business and Human Rights. Through five modules running over six to eight months, small groups of dedicated companies will learn about human rights due diligence requirements, understand how to assess the status of implementation of those requirements for each company (status quo analysis), and clarify the next steps needed to fully comply with national and international standards.

The "Fit for the NAP" training programme builds upon

1	2	3	4	5
Status Quo Analysis	Training Module I	HRDD In Practice	Training Model II	Final Check
Self-Assessment Using the Human Rights Capacity Diagnostics Tool	One-day Training Course How to set up a systematic human rights due diligence system	First Steps To integrate HRDD in the business operations Feedback Individually	One-day Training Course Exchange on experiences and further integration of HRDD	Webinar Plausibility check: measures taken in the company compared to the requirements of the NAP. Recommendations for next steps

To date, 25 companies from both German SMEs and multinational enterprises have participated in the programme, embarking on their journey towards a full-fledged human rights due diligence process.

RECOGNIZING LEADERSHIP

POLAND — ENGAGING BUSINESS LEADERS THROUGH THE “CEOS FOR ETHICS” EVENT SERIES

“Standard of Ethics” — a checklist of the most common tools and most important values to be implemented including advanced guidance and case studies — was created by the [Global Compact Network Poland](#) in collaboration with over 100 companies and institutions as a starting point for ethical and responsible business. The standards were also presented at the Local Network Poland Human Rights Gala with the central theme of the 70th anniversary of the Universal Declaration of Human Rights which gathered approximately 200 C-suite representatives, stakeholders and celebrities who took action to stand up for human rights. After successful collaboration in the Ukraine, the goal is to share the “Standard of Ethics” as a good practice to be adopted in other countries across the region.

Under the banner of “CEOs for Ethics”, the Local Network Poland has also kick-started a series of CEO Roundtables on Human Rights, including a C-suite strategic dialogue on priority issues, best practices and sectoral recommendations. The lessons learned are published in the “CEOs for Ethics” Report, as part of the broader “Business and Human Rights — Ethical Standards in Poland” programme which started in 2014.

The event series has already gathered over 20 leading Chief Executives alongside Governments and other stakeholders, adding momentum to the business and human rights discussion in Poland.

One of the key issues identified was the link between ethics and the Global Goals. Business leaders also discussed the importance of dialogue between the private sector and Government to increase knowledge sharing of ethical standards, including ways to implement ethical corporate standards among employees, partners and suppliers. Three of the greatest challenges related to integrating ethical practices into business operations and strategy identified by participating businesses included: misuse of funds, decision-making focused on short-term outcomes without adequate assessment of the potential negative impacts and the abuse of classified or private information.

POLICY DIALOGUE

KENYA — SUPPORTING AFRICA’S FIRST NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS

The National Steering Committee in Kenya is currently spearheading the development of the country’s National Action Plan on Business and Human Rights — the first of its kind in Africa. As a member of the Committee, [Global Compact Network Kenya](#) is playing a central role in setting policy direction for effective implementation of the UN Guiding Principles. Throughout the National Action Plan’s development process — including everything from the initial stakeholder consultation to the final validation workshop — Local Network Kenya provided relevant input and consolidated the voice of business in support of the implementation of human rights in business strategy.

In 2018, the Local Network Kenya also participated in two consultations held by the UN Working Group on Business and Human Rights. The Network provided important feedback to the Working Group’s Africa consultation on applying a gender lens to human rights due diligence, with implications for how gender is addressed in the National Action Plan. Involvement in various policy platforms has enabled the Network to identify gaps in the National Action Plan, to highlight areas where businesses will require support in implementation and to recommend additional issues that require attention.

RECOGNIZING LEADERSHIP

TURKEY — CONVENING A HUMAN RIGHTS IN BUSINESS CEO ROUNDTABLE

Global Compact Network Turkey organized a "Human Rights in Business CEO Roundtable" in cooperation with the UN System in Turkey. The aim of the roundtable was to apply a principles-based approach to the Global Goals and to discuss the role of human rights in achieving the Goals in the context of the Turkish business environment, ultimately gathering recommendations for next steps on the road ahead.

Inclusion was noted as a core issue for all sectors, with an emphasis on inclusion of women and youth. The participants identified the need for business to lead the way in advancing equality for employees, with a view towards ensuring an integrated approach.

Key learnings included:

- Cooperation and communication among CEOs has the potential to create a difference
- Complex problems cannot be solved without the engagement of CEOs
- Multinational companies should share their good examples and know-how at the local level
- It is necessary to take responsibility and discuss how to establish partnerships for the future
- The private sector should work together to create a culture of cooperation and awareness raising on human rights
- The clear need for business to account for social impact and investment in society



MULTI-STAKEHOLDER PARTNERSHIPS

INDONESIA — CONVENING A MULTI-STAKEHOLDER DIALOGUE SERIES ON BUSINESS AND HUMAN RIGHTS

Global Compact Network Indonesia conducted ten quarterly multi-stakeholder dialogues to introduce and promote the implementation of the UN Guiding Principles in Indonesia. The project is organized in partnership with OXFAM and the International NGO Forum on Indonesian Development (INFID), and is funded under the European Union-European Instruments for Democracy and Human Rights (EU-EIDHR) scheme. The dialogues have already engaged more than 800 leaders from companies, state-owned enterprises, Government, academia and civil society.

The dialogue series has shown that different levels of corporate understanding of business and human rights continue to be a challenge when it comes to mainstreaming implementation of the UN Guiding Principles. However, at the same time, certain businesses demonstrate clear progress in understanding and adopting the UN Guiding Principles.

The dialogues have also played a significant role in changing business perspectives and misconceptions. In the beginning, some businesses perceived business and

human rights as exclusively a Government responsibility and political issue. Introducing the concept of “knowing and showing” human rights impacts — instead of “naming and shaming” — encouraged business and civil society organizations to engage constructively on business and human rights issues.

These dialogues have advocated for the Government to be more clear when talking about regulations pertaining to business and human rights. As businesses will be impacted by the regulations, business involvement and public consultation is important. Overlapping Government regulations by sector are also a challenge for businesses, and the dialogues have advocated for the Government to better integrate and simplify regulations. The dialogues are also addressing the need for companies to conduct more comprehensive due diligence processes, encompassing their current and prospective suppliers.

MULTI-STAKEHOLDER PARTNERSHIPS

BRAZIL — SUPPORTING JOB CREATION FOR WOMEN REFUGEES

According to the Brazilian National Committee for Refugees, there are 9,500 recognized refugees in Brazil, and in 2017, 32 per cent of requests for refugee status were made by women. Since 2015, the Global Compact Network Brazil has been supporting refugee women in Brazil to find employment through a joint initiative in partnership with the Office of the United Nations High Commissioner for Human Rights and UN Women. This initiative provides professional guidance to its participants and fosters relationships by placing refugees in contact with businesses and potential job opportunities.

In addition, to celebrate the 70th anniversary of the Universal Declaration of Human Rights, the Local Network Brazil launched a new project called “The World We Want”, which seeks to promote dialogue and raise awareness of the importance of including human rights in public and private policies. In partnership with the International Advisory Office of the Government of the State of São Paulo, the project includes six awareness

raising events as well as a publication highlighting the project’s activities, covering themes related to indigenous peoples, racism, gender equity and LGBTI people. The project will also include social media communication and cultural exchange components.

SDG Pioneers

Danielle Pieroni was recognized as an UN Global Compact SDG Pioneer for her efforts, together with the Local Network Brazil, to help female refugees begin new lives.



TAKING ACTION

To create the world we want, we need more than commitment — we need action. Businesses representing all sizes, sectors and geographies are rising to the challenge by integrating human rights throughout their strategies and operations and by finding ways to economically empower the communities in which they operate.

While many challenges remain, the following sections highlight the important steps businesses are taking to advance human rights. It also focuses on initiatives designed to combat poverty, inequality and discrimination through social dialogue, job-creation and strategies for inclusive workplaces.

Over 9,500 businesses participate in the UN Global Compact, ranging from small and medium-sized enterprises (SMEs) to some of the world's biggest multinational corporations. These businesses are at many different stages on their sustainability journeys, and these examples are designed to facilitate learning and inspire further action as we seek to build a global movement of sustainable companies and stakeholders.

92%

of surveyed companies have human rights policies in place, but only 17% conduct human rights impact assessments

89%

of surveyed companies are addressing human rights through policies related to gender equality, yet only 64% of surveyed companies report that they are targeting Goal 5 on gender equality through their activities

85%

of surveyed companies address non-discrimination in their policies and practices — up from 77% in 2015

90%

of surveyed companies report having positive impact on providing decent work and economic growth

65%

of surveyed companies have "freedom of association" embedded in the company's policies and practices



PART 1: IMPLEMENTING THE UN GUIDING PRINCIPLES

ASSESSING ACTUAL AND POTENTIAL HUMAN RIGHTS IMPACTS

COUNTRY: FRANCE | **SECTOR:** OIL & GAS PRODUCERS | **EMPLOYEES:** 100,000

TOTAL

Since 2011, Total has been working with the Danish Institute for Human Rights (DIHR) to assess how the Group's policies, procedures and practices impact human rights. The Human Rights Compliance Assessment (HRCA) tool was developed by DIHR to assist businesses to identify and address human rights risks in business units. The DIHR worked with Total to adapt the HRCA to the Group's specific context and needs. At Total, the HRCA is implemented either as a standalone Human Rights Impact Assessment (HRIA) or as a joint Human Rights and Ethics Assessment. Total has conducted dedicated HRIAs of its potential and actual operations, particularly in sensitive operational contexts. These assessments have varied in scope, depending on local context and the salient human rights issues. For example, Total conducted a HRIA focused on gender, security and conflict issues in local communities in the South Pacific, while indigenous people, land acquisition, security and labour rights were the focus of an HRIA conducted in Africa. The HRIAs were timed so that key findings and recommendations could feed into the Environmental and Social Impact Assessment process and management plans.

 Learn More

The UN Working Group



The UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises issued a report on "[Corporate Human Rights Due Diligence — Emerging Practices, Challenges and Ways Forward](#)" with recommendations to Governments, companies and investors.

As the report states, **“Human rights due diligence provides the backbone of the day-to-day activities of a business enterprise in translating into practice its responsibility to respect human rights. It is a way for the enterprise to proactively manage the potential and actual risks of adverse impacts on the rights and dignity of people.”**

COUNTRY: UNITED STATES OF AMERICA | **SECTOR:** SOFTWARE & COMPUTER SERVICES | **EMPLOYEES:** 95,000

MICROSOFT

As part of the company's commitment to empowering a sustainable future for everyone, Microsoft is committed to respecting human rights. Microsoft respects human rights by seeking to avoid infringing on the rights of others and by working to address adverse human rights impacts wherever the company is involved. Microsoft also commits to promoting human rights by harnessing the beneficial power of technology to help realize and sustain human rights everywhere. Microsoft expects employees, partners, suppliers, customers and Governments to share this commitment to ensure that information technology and the business respect and promote human rights.

Examples of Microsoft's human rights due diligence efforts are its Human Rights Impact Assessments of key products and services. The company is applying this assessment framework to artificial intelligence (AI) technologies as well. As technology becomes ever more deeply integrated

in the personal lives of individuals, Microsoft seeks to address human rights risks — such as those related to privacy and freedom of expression — that arise with the use of AI for purposes such as facial recognition. Facial recognition can be used in positive ways, such as to find a missing child or to help a blind person to identify other people. On the other hand, it can also be used in negative ways, potentially infringing on freedom of association and other rights. Microsoft has developed human rights-based principles for the development and use of responsible AI, and it continues to conduct human rights due diligence on AI, including on the usages of facial recognition.

COMMUNICATING HOW HUMAN RIGHTS IMPACTS ARE ADDRESSED

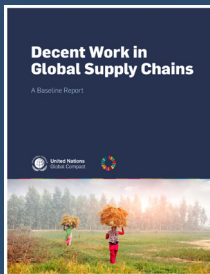
COUNTRY: UNITED KINGDOM | **SECTOR:** FOOD PRODUCERS | **EMPLOYEES:** 173,000

UNILEVER

In 2015, Unilever became the first company to use the UN Guiding Principles Reporting Framework, the world's first comprehensive guidance for businesses to report on how they are implementing the UN Guiding Principles for Business and Human Rights. Aiming to enhance the company's transparency and accountability, Unilever produced a detailed, stand-alone report using the framework. The report highlights key areas of progress, including the company's work to empower women, its progress in the fight against sexual harassment and its work to address health and safety issues across the supply chain. The report also describes key areas of focus for the future, which include addressing human rights issues beyond first-tier suppliers, improving working conditions for migrant labour, and continuing to collaborate with other organizations to influence systemic change.

 Learn More

The UN Global Compact Action Platform on Decent Work in Global Supply Chains



The [UN Global Compact Action Platform on Decent Work in Global Supply Chains](#) is an alliance of companies committed to respecting human rights and fundamental principles and rights at work by leveraging their supply chains and taking collective action to address decent work deficits. This platform will build the case for improving decent work in global supply chains and demonstrate how labour rights and human rights are critical for achieving the Global Goals.

The Decent Work in Global Supply Chains: Baseline Report presents insights into some of the key challenges and opportunities that companies face in their efforts to develop more sustainable procurement strategies.

Find out more at www.unglobalcompact.org/library/5635

ESTABLISHING GRIEVANCE MECHANISMS

COUNTRY: GERMANY | **SECTOR:** CHEMICALS | **EMPLOYEES:** 115,000

BASF SE

BASF has Community Advisory Panels (CAPs) at their larger production sites that provide communities with the opportunity for direct involvement, while allowing BASF to better address local expectations. These panels are part of BASF's grievance mechanisms. They consist of individuals who live near or around a chemical facility and who represent the fabric of their community. Under the CAPs, the panel members meet regularly with site management to discuss issues of mutual interest.

PRIORITISING THE MOST SEVERE IMPACTS

COUNTRY: UNITED STATES OF AMERICA | **SECTOR:** FOOD PRODUCERS | **EMPLOYEES:** 300,000

PEPSICO

In early 2017, PepsiCo's Human Rights Operating Council (HROC) conducted a detailed assessment of the company's value chain to refresh its human rights strategy and to identify salient human rights issues. The "saliency" approach is consistent with the UN Guiding Principles for Business and Human Rights. The approach focuses on identifying the human rights at risk of the most severe negative impact due to the company's activities and business relationships.

Partnering with Shift, PepsiCo began its assessment by defining its focus regarding the most salient issues for rights holders. Next, it used a top-down approach to map the potential impacts that its business activities might have on rights holders in its value chain — a process that involved a detailed analysis of the company's business operations and supply chain, past assessment and audit findings as well as input from internal and external experts. After identifying a list of potential impacts, PepsiCo's cross-functional HROC evaluated the "severity" and "likelihood" of the potential impacts to identify salient issues.

The assessment process provided PepsiCo with a better understanding of its salient human rights issues, particularly through the company's engagement with external stakeholders. The process also helped engage internal stakeholders on their human rights strategy and strengthen internal governance around salient issues.

PepsiCo's Global Human Rights & Salient Issues Statement outlines the company's overall approach to respecting human rights and sets out the initial framing for its salient human rights issues. PepsiCo regularly reviews its salient issues to determine whether other human rights issues have become greater priorities over time. PepsiCo also shared its journey to identify salient human rights issues as part of the UN Global Compact Academy.

 Learn More



The UN Global Compact Academy — a new learning platform for sustainable companies

— is designed to provide businesses with the knowledge and skills they need to meet their sustainability objectives, mitigate business risks and achieve long-term growth by contributing to the 2030 Agenda for Sustainable Development. Through expert-led and interactive how-to sessions, e-learning courses and a global community of sustainable businesses, the Academy has a special focus on providing practical guidance for companies on

aligning their business strategies and operations with the Ten Principles of the UN Global Compact and the Global Goals, including the Guiding Principles on Business and Human Rights.

Academy sessions related to human rights include:

- What Human Rights Mean for Business
- Translating Human Rights Commitment into Business Practice
- Implementing a Human Rights Impact Assessment and Embedding Results into Your Company's Operations
- Upholding Freedom of Association and the Effective Recognition of the Right to Collective Bargaining
- Achieving Decent Work for All

Find out more at www.academy.unglobalcompact.org

PART 2: EMPOWERING COMMUNITIES AND WORKERS — SOCIAL DIALOGUE, INCLUSION AND JOB-CREATION

SUPPORTING LGBTI PEOPLE

COUNTRY: UNITED STATES OF AMERICA | **SECTOR:** SUPPORT SERVICES | **EMPLOYEES:** 12,500

BAKER MCKENZIE

Baker McKenzie supports its lesbian, gay, bisexual, transgender and intersex (LGBTI) employee community through a number of measures, including through support for the Standards of Conduct for Business on Tackling Discrimination against LGBTI people by the Office of the United Nations High Commissioner for Human Rights and through the implementation of Gender Transition and Identity Guidelines in the company's offices in North America and the United Kingdom. Baker McKenzie also established an "LGBT + Business Resource Group" (BRG), which is composed of partners and senior firm leaders, responsible for supporting, directing and developing a global LGBTI strategy and coordinating local LGBTI and ally networks. Over the last year, the BRG launched an LGBT + Global Client Program designed to engage clients on a range of issues related to equality both within and outside the workplace. Additionally, Baker McKenzie is engaged in pro-bono legal services and in supporting the community, including through working with ICS, an organization promoting LGBTI rights in Vietnam.

PROVIDING JOB OPPORTUNITIES FOR PERSONS WITH DISABILITIES

COUNTRY: JAPAN | **SECTOR:** SOFTWARE & COMPUTER SERVICES | **EMPLOYEES:** 2,300

KOKUSAI KOGYO

In 1985, JAPAN ASIA GROUP LIMITED's group company Kokusai Kogyo established a subsidiary entitled TDS to focus on providing job opportunities to wheelchair-bound persons in response to a Japanese Government initiative to promote employment of persons with disabilities. Utilizing Government programs, TDS's work space was designed with fully accessible elevators, restrooms and parking spaces wider than regulations required.

TDS was originally only expected to provide a work force focused on digital image processing. Over the past 33 years, however, TDS has grown into an in-house source of expertise on the needs of persons with different abilities, and its contribution to group profits have made it an important subsidiary. For example, TDS now gives Kokusai Kogyo a competitive edge in city and facility accessibility planning and in developing navigational software for persons with disabilities. The presence of TDS's staff in the field and their participation in on-site surveys promotes workplace inclusiveness not only at Kokusai Kogyo itself, but also in the surrounding communities.

 Learn More

Standards of Conduct for Business: Tackling Discrimination Against Lesbian, Gay, Bi, Trans, & Intersex People

Companies should...



Find out more at www.unfe.org/standards

 Learn More

The Guide for Business on the Rights of Persons with Disabilities



Jointly produced by the UN Global Compact and ILO, the Guide examines how businesses can respect and support the rights of persons with disabilities and create shared value by fostering inclusion.

Download the guide at
www.unglobalcompact.org/library/5381

FACILITATING SOCIAL DIALOGUE

COUNTRY: FRANCE | SECTOR: GENERAL RETAILERS | EMPLOYEES: 395,000

CARREFOUR

In October 2018, Carrefour and [UNI Global Union](#) announced a renewed global agreement to promote social dialogue, diversity and workers' rights, building on previous agreements entered into force in 2001 and 2015. The new agreement now addresses violence against women at work, which was recognized by Carrefour as a fundamental issue having consequences not only for the victims but for the entire workforce and the business. With the agreement, Carrefour commits to awareness-raising and prevention of violence against women as well as to providing adequate support to victims. The agreement also sets out to promote and encourage constructive social dialogue, diversity and equal opportunities in the workplace through joint initiatives, particularly in relation to gender mix and non-discrimination. It also emphasizes the protection and respect of workers' fundamental rights — related to freedom of association and the principles of collective bargaining — as well as their safety and working conditions at Carrefour and at its suppliers' and franchisees' premises.

The renewed global agreement demonstrates the practical steps that Carrefour and UNI Global Union are taking to apply labour standards based on the fundamental rights outlined in the ILO conventions, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. With this agreement, Carrefour and UNI Global Union are establishing a basis for promoting responsible business throughout Carrefour's operations.

In terms of cooperation at the international level, Carrefour has also joined a number of other companies as part of the Global Deal.

“The importance of global agreements is now irrefutable, recognized even by the G20. In a world where many businesses put profits above people, UNI is pleased to work with an organization, such as Carrefour, which recognizes the value of worker rights”

— Christy Hoffman, General Secretary of UNI Global Union

 Learn More

The Global Deal: Together for Decent Work and Inclusive Growth



The Global Deal is a global partnership with the objective of jointly addressing the challenges in the global labour market and enabling all people to benefit from globalization. It aims to encourage Governments, businesses, unions and other organizations to make commitments to enhance social dialogue.

Find out more at www.theglobaldeal.com

EMPOWERING YOUTH

COUNTRY: NIGERIA | **SECTOR:** BANKS | **EMPLOYEES:** 270

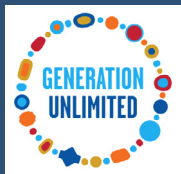
BANK OF INDUSTRY

Youth empowerment is significant to advancing the Global Goals, as it contributes to poverty eradication, reduced inequalities and quality education. Through its Youth Entrepreneurship Support Programme (YES-Programme), Bank of Industry seeks to not only tackle the problem of youth unemployment in Nigeria, but also empower young people by equipping them with capacity, knowledge and funding for innovative business ideas. The programme's main objectives include creating an interactive learning platform to train young aspiring entrepreneurs, providing them with entrepreneurship, business management and technical skills, and de-risking young entrepreneurs' businesses by deepening their financial inclusion. YES-Programme's impact aims to increase support for and expand the network of an estimated 5,000 enterprises promoted by Nigerian youth across the country. This is expected to create a minimum of 20,000 direct jobs and 30,000 indirect jobs annually.

Did You Know? Today, over 40 per cent of the world's youth are either unemployed or have a job but live in poverty. Over 66 million young women and men worldwide are looking for a job and more than one-third of those working in developing economies lives on less than US\$ 2 a day.

 Learn More

Generation Unlimited



Generation Unlimited brings together the private sector, Governments, international and local organizations — and young people — to identify and scale up the best solutions for

three major challenges: access to secondary age education, acquisition of employability skills and empowerment, especially of girls.

Find out more at
www.genunlimited.org

 Learn More

Global Initiative on Decent Work for Youth



The Global Initiative on Decent Jobs for Youth aims to scale up action and impact on youth employment in support of the 2030 Agenda for Sustainable Development.

Find out more at
www.decentjobsforyouth.org

EMPOWERING WOMEN THROUGH FINANCIAL INCLU-

COUNTRY: LEBANON | **SECTOR:** BANKS | **EMPLOYEES:** 730

BLC BANK

Seeing women marginalized and under-banked without sufficient access to mainstream financial services and products — while also understanding that bridging the gender gap in financial inclusion and integrating women as active players in the economy would lead to national economic growth — BLC Bank took the decision to launch its women economic empowerment programme, the “We Initiative”, in 2012.

BLC Bank’s journey started with the understanding that external promises should go hand-in-hand with internal cultural change. BLC Bank committed to the Women’s Empowerment Principles (WEPs) in 2011, alongside a commitment to the Ten Principles of the UN Global Compact. These bank-wide efforts allowed the We Initiative to become the first comprehensive women’s economic empowerment programme in the Middle East and North Africa region.

Internally, BLC Bank set out to create an inclusive and fair working environment and addressed the challenge of cultural change by training its staff to become aware of and eliminate conscious and unconscious bias, which prevents women’s growth opportunities. BLC Bank promoted gender equality as a value, and to track its progress, it set key performance indicators through a gender lens and created gender-disaggregated scorecards. The bank also reviewed its procurement policy, ensuring that women suppliers had equal opportunities.

As part of its customer value proposition, the We Initiative brought forward a range of non-financial services, such as training, mentorship, consultancy and access to markets — in addition to access to finance — thereby providing equal opportunities for women to thrive and prosper. Special customizations were considered to financially integrate rural and remote areas and create education opportunities for the under-banked.

BLC Bank further established the Brilliant Lebanese Awards, the only Lebanese Awards with a category specifically recognizing women entrepreneurs. These awards not only acknowledged the success of the entrepreneurs, but also gave them national and international exposure as well as access to coaching by SME ecosystem experts.

BLC Bank sought to further make a social impact through a national advertising effort to dismantle stereotypes related to women.

 Learn More

Women’s Empowerment Principles (WEPs)

The Women’s Empowerment Principles (WEPs) is a joint initiative of UN Women and the UN Global Compact that provides a holistic framework for corporate action on empowering women in the workplace, marketplace and community. As of 2018, over 2,000 global business leaders have signed the CEO Statement of Support for the WEPs.



Find out more at
www.empowerwomen.org

Take the WEPs Gender Gap Analysis Tool at
www.weps-gapanalysis.org

PROVIDING EQUAL OPPORTUNITIES FOR WOMEN

COUNTRY: KENYA | **SECTOR:** CONSTRUCTION & MATERIALS | **EMPLOYEES:** 10

ENDS INTERNATIONAL COMPANY LIMITED

Ends International Company Limited seeks to promote gender equality in the male-dominated field of construction. More than half of the company's employees are women, led by their CEO, Sharon Thuku — a young woman driven by her own experiences of the gender gap in the industry. Ends International recently adopted an initiative to train and mentor a minimum of five women annually, equipping them with the necessary skills to be painters and plumbers. In this way, the company contributes towards changing the face of construction sites and the industry at large.

Ends International is also seeking to address youth unemployment by hiring fresh graduates — new graduates can otherwise face difficulties in finding work, since most employers expect three to five years of working experience from their employees.

Giving professional opportunities to women and youth touches on many of the Global Goals — not only decent work and economic growth, but also zero hunger, reducing inequalities, decreasing poverty and bridging the gender gap. Empowering people also gives them access to quality education by allowing them to save and plan for it.

RESPECTING INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

COUNTRY: BRAZIL | **SECTOR:** CHEMICALS | **EMPLOYEES:** 6,600

NATURA COSMETICOS

Partnering and collaborating with vulnerable groups and ensuring their rights are respected is especially important for companies whose operations may impact local communities. Implementing an inclusive business model, Natura Cosméticos has been working closely with local communities in the Amazon rainforest since 1999. By doing this, Natura has responded to the problem of "atravessadores" — the so-called middle-men who often abused local communities and posed a great threat to regional water resources, biodiversity, traditional knowledge and the global climate while trying to acquire raw materials at the lowest price possible. Through partnering with local communities, Natura leverages traditional community knowledge to put into practice the valorization of biodiversity assets whilst preserving natural capital. Combining sustainable practices and traditional community knowledge with Natura's logistics and factory infrastructure, this has led to long-term sustainable employment for more than 5,300 families. At the same time, the risk of extinction of certain species — like the ucuuba tree — has been decreased.

Another initiative that reflects Natura's work with local communities was its partnership with the Paiter Suruí indigenous people. Through this partnership, Natura aimed to contribute to tackling climate change by preserving the endangered rainforest. As a result of the initiative, the local indigenous people developed new systems for generating carbon credits under the REDD+ mechanism (Reducing Emissions from Deforestation and Forest Degradation). This was the first time a Brazilian company bought carbon credits from an indigenous project and the initiative served as an example for other companies looking to partner with indigenous peoples across the Amazon. Unfortunately, the deforestation in the area — caused mainly by illegal timber exploitation, clear-cutting to introduce pasture land and agriculture, and illegal gold and diamond mining — led to the collapse of the project in 2017.



Learn More

The Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples



The Business Reference Guide illustrates how the UN Declaration on the Rights of Indigenous Peoples is relevant to business.

Download the guide at
www.unglobalcompact.org/library/541

THE ROAD AHEAD

The Sustainable Development Goals are a human rights-based agenda. With the clock ticking to achieve the Global Goals by their 2030 deadline, more holistic action is needed to achieve universal respect for human rights. We will only be able to collectively deliver on our ambitious vision for a better world if the fundamental rights of all people everywhere are respected and supported by all stakeholders, including business. As Professor John Ruggie, former Representative of the UN Secretary-General for Business and Human Rights, said: “A principles-based approach to human rights and business means companies are actually looking for the underlying principles that have tremendous multiplier effects.”

“A principles-based approach to human rights and business means companies are actually looking for the underlying principles that have tremendous multiplier effects. Respect is a word we use every day, but respect is a word that has very deep meaning. Respect means thinking about what the greatest impact of a company is and what it means to respect people and environment in that context.”

— Professor John Ruggie (Former Representative of the UN Secretary-General for Business and Human Rights)

Now it is time to translate the frameworks we have — including the Ten Principles of the UN Global Compact and the UN Guiding Principles on Business and Human Rights — into concrete action, and to consider human rights not as an afterthought or charitable contribution, but as the foundation for how successful businesses operate.

Looking ahead, special consideration needs to be given to the interlinkages between the diverse challenges we face. Pressing environmental and political crises are also

inherently social crises, disproportionately affecting groups such as women, youth and indigenous communities. When it comes to climate justice, for example, it is clear that those who have contributed the least to climate change are also those most disproportionately suffering its harms.

There are many examples of where the private sector is already taking inspiring action on climate change, but achieving a just climate transition also requires respect for the rights of people, such as communities facing energy insecurity and local communities displaced by renewable energy projects.

Actively integrating these types of interconnected considerations into corporate decision-making and strategy will be foundational to the long-term health of this planet — which is ultimately good for both society and business.

To successfully deliver on the 2030 Agenda and truly leave no one behind, companies need to proactively manage potential and actual adverse human rights impacts, provide just and effective remedies, and involve affected stakeholders throughout the decision-making process.

On this journey, the UN Global Compact remains committed to working with businesses representing all sizes, sectors and geographies, helping companies to move from commitment to action by scaling up successful partnerships and projects at both the global and local levels.

Reflecting back on 70 years of revolutionary impact since the adoption of the Universal Declaration, we have much to celebrate, but we also have a long way to go. As this snapshot has shown, human rights are not just foundational to sustainable business, they are the very basis of sustainable development — and only together will we be able to make respect for human rights truly universal.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

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



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

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



ANTI-CORRUPTION

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

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment and anti-corruption. Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices. With more than 9,500 companies and 3,000 non-business signatories based in over 160 countries, and more than 70 Local Networks, it is the largest corporate sustainability initiative in the world.

For more information, follow [@globalcompact](#) on social media and visit our website at www.unglobalcompact.org.



United Nations
Global Compact

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The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.