

**(DRAFT)**

**UN Global Compact and  
International Standard ISO 26000 Guidance on Social Responsibility**

# **AN INTRODUCTION TO LINKAGES BETWEEN UN GLOBAL COMPACT PRINCIPLES AND ISO 26000 CORE SUBJECTS**



**United Nations** Global Compact

## Introduction

The release of “ISO 26000: Guidance standard on social responsibility” gives a boost to ongoing efforts by the UN Global Compact to establish widespread common understanding of corporate responsibility principles. ISO 26000 and the UN Global Compact are connected by a fundamental belief that organizations should behave in a socially responsible way.

Given the operational reach of the ISO organization, ISO 26000 can help to build local capacity to advance universal principles in business — particularly in developing countries — which is a critical step in mainstreaming the business-society agenda everywhere and achieving a level global playing field for all businesses.

This short publication provides a high-level overview of the key linkages between the UN Global Compact’s Ten Principles and the core subjects of social responsibility defined by ISO 26000 (human rights, labour practices, the environment, fair operating practices, consumer issues, community involvement). While not an exhaustive review of the numerous areas of alignment between the two initiatives, this publication shows that there is clear consistency — and that all UN Global Compact Principles are included in ISO 26000.

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## Linking UN Global Compact Principle Areas to ISO 26000 Core Subjects

UN Global Compact Issue Area	ISO 26000 Clause	ISO 26000 Core Subject / Issue
Human rights	<b>6.3</b>	<b>Human rights</b>
	6.3.3	Due diligence
	6.3.4	Human rights risk situations
	6.3.5	Avoidance of Complicity
	6.3.6	Resolving Grievances
	6.3.7	Discrimination and vulnerable groups
	6.3.8	Civil and political rights
	6.3.9	Economic, social and cultural rights
	6.3.10	Fundamental principles and rights at work
	Box 7	Child labour
Labour	<b>6.3</b>	<b>Human rights</b>
	Box 7	Child labour
	6.3.3	Due diligence
	6.3.4	Human rights risk situations
	6.3.7	Discrimination and vulnerable groups
	6.3.8	Civil and political rights
	6.3.10	Fundamental principles and rights at work
	<b>6.4</b>	<b>Labour practices</b>
	6.4.3	Employment and employment relationships
	6.4.4	Conditions of work and social protection
	6.4.5	Social dialogue
	6.4.7	Human development and training in the workplace
	<b>6.6</b>	<b>Fair operating practices</b>
	6.6.4	Responsible political involvement
Environment	<b>6.5</b>	<b>The environment</b>
	6.5.3	Prevention of pollution
	6.5.4	Sustainable resource use
	6.5.5	Climate change mitigation and adaptation
	6.5.6	Protection and restoration of the natural environment
	<b>6.6</b>	<b>Fair operating practices</b>
	6.6.4	Responsible political involvement
	6.6.6	Promoting social responsibility in the sphere of influence
Anti-corruption	<b>6.6</b>	<b>Fair operating practices</b>
	6.6.3	Anti-corruption
	6.6.4	Responsible political involvement
	6.6.6	Promoting social responsibility in the sphere of influence

# Applying ISO 26000 “Guidance on social responsibility core subjects” to Drive Implementation of the UN Global Compact Principles

## A. Human Rights

### THE UN GLOBAL COMPACT PRINCIPLES 1-2

UNGC PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.

UNGC PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.

### ISO 26000, HUMAN RIGHTS (6.3), ISSUES 1-8

1. Due diligence
2. Human rights risk situations
3. Avoidance of complicity
4. Resolving grievances
5. Discrimination and vulnerable groups
6. Civil and political rights
7. Economic, social and cultural rights
8. Fundamental principles and rights at work

The UN Global Compact includes all aspects discussed in ISO 26000 under Human Rights in its first two Principles. ISO 26000 provides guidance on how to support and respect internationally declared human rights and how to avoid being complicit in human rights abuse.

### Issue 1. Due Diligence (6.3.3)

ISO 26000 suggests that a company proactively undertake a due diligence process on actual and potential human rights impacts and risks occurring from activities or relationships. Among the key considerations should be country context where a company has operations, as well as key relationships of the company. The due diligence process should be continuously and critically assessed.

### Crucial questions when conducting a due diligence include:

- What are the potential human rights impacts of a company?
- What are the implications for other entities or persons whose activities are significantly linked to those of the company?

### According to the size and scope of the company, ISO 26000 suggests considering additional points, for example:

- Is there a human rights policy in place guiding the company internally as well as those entities or persons closely linked to it?
- Are there means to assess how proposed activities of the company may affect human rights?
- Is a human rights policy integrated throughout the company?
- Are there means to track the performance of the company related to human rights?

In addition to the internal assessment it might be useful in some cases to have an independent third party to evaluate the human rights due diligence process implemented in an organization.

### Issue 2. Human Rights Risk Situations (6.3.4)

ISO 26000 identifies a checklist of considerations to take into account when assessing the risk potential for human rights abuses. ISO 26000 helps companies to assess the human rights situation before conducting business in a certain industry and gives advice on what to do when a company is already doing business in a location with a potential risk of human rights abuses.

#### Examples of questions a company should ask:

- Is the company operating in an area with difficult conditions? (e.g., extreme political instability, absence of civil rights, poverty, drought, health challenges, natural disasters)
- Are the company's activities in the extractive business or do they affect other natural resources? (e.g., water, forest, atmosphere)
- Do the activities directly or indirectly affect or involve vulnerable groups, including indigenous peoples or children?
- Is a "culture of corruption" (6.3.4.1) prevalent in countries of operation?
- Are extensive security measures needed?

If a company answers one or more of the questions above with "yes" it should consider carefully what actions need to be taken in order to ensure a respect for human rights.

### Issue 3. Avoidance of Complicity (6.3.5)

The second Principle of the UN Global Compact can be directly linked to this issue. In order to improve the understanding of the scope of complicity, ISO 26000 divides it into three forms:

- Direct complicity: "occurs when an organization knowingly assists in a violation of human rights";
- Beneficial complicity: "involves an organizations benefiting directly from human rights abuses committed by someone else"; and
- Silent complicity: "involve(s) the failure by an organization to raise with the appropriate authorities the question of systematic or continuous human rights violations".

*(ISO 26000, 6.3.5.1, p. 26)*

There are various ways a company can avoid complicity in human rights abuses. ISO 26000 provides particular focus on companies that use any kind of security arrangements.

#### The guidance suggests that a company to consider additional points, such as:

- Is special care exercised by companies providing goods and services that may be used to violate human rights?
- Has the company taken steps to become informed about conditions in which purchased goods and services are produced?
- Does the company offer human rights training for security personnel?

This process to avoid complicity should be integrated into the due diligence exercise.

### Issue 4. Resolving Grievances (6.3.6)

Even if a company has all necessary procedures in place there still might be disputes regarding the human rights impact of a companies activities. In order to address these disputes a company should ensure it has adequate mechanisms in place.

**ISO 26000 describes the characteristics of how the process should be managed, including:**

- Is there a legitimate governance structure to prevent unfair interference with the process?
- Are all parties able to access complaint mechanisms?
- Is the process of resolving grievances predictable, with clear procedures and timeframes?
- Do all parties have access to sufficient information and expertise to ensure an equitable process?
- Is the process compatible with international human rights standards?
- Is the process of dealing with and resolving grievances transparent?

### **Issue 5. Discrimination and Vulnerable Groups (6.3.7)**

The prohibition of discrimination for illegitimate reasons, such as race, colour, gender, age or nationality, is one of the basic principles of human rights law. A company should strive to provide opportunities to all people. ISO 26000 puts special emphasis on dealing with vulnerable groups such as, but not limited to: women, people with disabilities, children, indigenous peoples and migrants.

**Examples of questions a company should ask:**

- Does the company ensure that it does not discriminate against anyone with whom it has any contact or impact on?
- Are members of vulnerable groups treated equally and fairly?

### **Issue 6. Civil and Political Rights (6.3.8)**

Rights that are included in this description are laid out by ISO 26000 to be the following: “the right to life, freedom from torture, security, to own property, liberty and integrity of person, the right to a due process of law and fair hearing when facing criminal charges. They further include freedom of opinion and expression, assembly and association, the freedom to adopt and practice a religion [...], the freedom of arbitrary interference with family, home or correspondence, the right to privacy, to access to public services and to take part in elections” (ISO 26000, 6.3.8.1)

Similar to the issues raised under the Issue 6.3.7 “Discrimination and Vulnerable Groups”, a company should ensure that the rights of all employees and stakeholders related to civil and political rights are not compromised.

**The following questions may help clarify the risk potential for breaching any of the above mentioned rights:**

- Does the company respect the life of individuals?
- What are the ways to ensure that freedom of opinion and expression are guaranteed even if it might express criticism for the company?
- How does the company make sure that free communication of employees can take place even across national borders?

### **Issue 7. Economic, Social and Cultural Rights (6.3.9)**

ISO 26000 defines this as the right of every person to have the “economic, social and cultural rights necessary for his or her dignity and personal development”, which includes the right to health, education, decent work, food, religion and culture, among others.

Expectations of a company related to economic, social and cultural rights are defined and can be covered by positively answering the following questions:

- Does the company respect these rights and do nothing to obstruct or impede on these rights?
- Does the company ensure that it does neither directly nor indirectly limit the access to an essential product or resource?

## Issue 8. Fundamental Principles and Rights at Work (6.3.10)

This issue is addressed in the following section on “Labour”.

### FEATURED HUMAN RIGHTS TOOLS & RESOURCES

#### BUSINESS AND HUMAN RIGHTS TOOLS WEBINAR SERIES

Helps companies navigate available human rights resources and identify those that are most relevant to their operations. (UNGC/OHCHR/BLF/BSR/Institute for Human Rights & Business/Danish Institute for Human Rights/GBI, 2009-2010)

#### HUMAN RIGHTS AND BUSINESS LEARNING TOOL

An internet-based learning tool developed to assist managers and corporate responsibility professionals in companies participating in the Global Compact. (UNGC/OHCHR, 2010)

#### EMBEDDING HUMAN RIGHTS IN BUSINESS PRACTICE

##### SERIES: I - III

Explores the development and consequences of the practical implementation of human rights policies as they relate to a variety of issues, including child labour, occupational health and safety, supply chain management and others. (UNGC/OHCHR, 2009)

#### THE ARC OF HUMAN RIGHTS PRIORITIES: A NEW MODEL FOR MANAGING BUSINESS RISK

Helps companies determine which human rights concerns are most relevant to their particular situation and sector. (UNGC/Danish Institute of Human Rights, 2009)

#### HUMAN RIGHTS AND BUSINESS DILEMMAS FORUM

An online, interactive discussion forum that aims to enhance understanding of a variety of human rights themes, such as human trafficking and HIV/AIDS, and to identify good practices for specific dilemmas that businesses often face. (UNGC/Maplecroft, 2009)

#### HUMAN RIGHTS TRANSLATED: A BUSINESS REFERENCE GUIDE

Illustrates through the use of examples and suggested practical actions how human rights are relevant and can be managed in a corporate context. (UNGC/Castan Centre for Human Rights Law/IBLF/OHCHR, 2008)

#### A HUMAN RIGHTS MANAGEMENT FRAMEWORK

A poster designed and translated into six languages to give a publicly displayed, easily referenced overview for companies to use in implementing a human rights policy. (UNGC/IBLF/IFC, 2007)

#### A GUIDE FOR INTEGRATING HUMAN RIGHTS INTO BUSINESS MANAGEMENT

An online tool that offers practical guidance – in the form of a step-by-step analysis of A Human Rights Management Framework – to companies wanting to take a proactive approach to human rights within their business operations. (UNGC/BLIHR/OHCHR, 2006)

#### WOMEN'S EMPOWERMENT PRINCIPLES – EQUALITY MEANS BUSINESS

Helps guide business on the gender dimension of corporate responsibility in the workplace, marketplace and community. (UNGC/UNIFEM, 2010)

#### A RESOURCE GUIDE TO CORPORATE HUMAN RIGHTS REPORTING

Surveys recent sustainability reports by over 50 companies, examines trends in current corporate disclosures on human rights and highlights good practice examples as well as ongoing shortcomings in reporting in this area. (UNGC/GRI/Realizing Rights, 2009)

#### CORPORATE HUMAN RIGHTS REPORTING – AN ANALYSIS OF CURRENT TRENDS

Provides a practical guide for companies on steps they can take to improve their coverage of human rights as part of their sustainability reports. (UNGC/GRI/Realizing Rights, 2009)

#### GUIDE TO HUMAN RIGHTS IMPACT ASSESSMENT AND MANAGEMENT

Provides companies with a practical overview to assess their business risks, enhance their due diligence procedures and effectively manage their human rights challenges. (UNGC/IBLF/IFC 2007)

## B. Labour

### THE UN GLOBAL COMPACT PRINCIPLES 3-6

UNGC PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

UNGC PRINCIPLE 4: Businesses should uphold the elimination of forced or compulsory labour.

UNGC PRINCIPLE 5: Businesses should uphold the effective abolition of child labour.

UNGC PRINCIPLE 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### ISO 26000, HUMAN RIGHTS (6.3), ISSUE 8

8. Fundamental principles and rights at work  
Box 7: Child labour

### ISO 26000, LABOUR PRACTICES (6.4), ISSUES 1-5

1. Employment and employment relationships
2. Conditions of work and social protection
3. Social dialogue
4. Health and safety at work
5. Human development and training in the workplace

In the realm of work and labour practices, for both the UN Global Compact and ISO 26000, International Labour Organization (ILO) conventions, declarations and standards serve as the foundation.

## ISO Human Rights Issues (6.3)

### Issue 8. Fundamental Principles and Rights at Work (6.3.10)

ISO Human Rights Issue 8 “Fundamental Principles and Rights at Work” is congruent with Principles 3 - 6 of the UN Global Compact. The ISO Issue / Global Compact Principles are both based on ILO “Declaration of Fundamental Principles and Rights at Work” which covers the freedom of association, the elimination of forced labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation.

### ISO 26000 suggests that a company consider the following:

- Do all employees of the company have the right to collective bargaining? Does the company provide facilities for employee representatives to effectively do their work?
- Does the company ensure that it does not engage, benefit or profit from forced or compulsory labour?
- Do all employees have equal opportunities and is a non-discrimination process in place which is monitored regularly?
- Does the company observe the minimum age for employment and ensure that it does not engage or profit from the work of children?

### Box 7. Child Labour (6.3)

Global Compact Principle 5 which calls for the abolition of child labour is addressed in several sections of ISO 26000, including in a separate information box about child labour.

Companies should demonstrate awareness of this issue and work continuously to eliminate it within the organization and its supply chain. The supply chain involves suppliers, producers and distributors, as well as other subcontractors and members of the entire value chain.



**To assess the situation regarding child labour, a company should ask a range of questions, such as:**

- Does the company observe the ILO standards on minimum age for admission to employment or work?
- Does the company cooperate with other organizations and government agencies to release any children found in the workplace into full-time and quality education?
- If a child has been removed from work with this company, does the company help to find viable alternatives for the child and its family?

## **ISO Labour Practices Issues (6.4)**

### **Issue 1, 2. Employment and Employment Relationships (6.4.3), Conditions of Work and Social Protection (6.4.4)**

The issue “Employment and employment relationships” can be linked to Global Compact Principle 4, which calls for companies to avoid compulsory and forced labour. This is also reflected in “Fundamental principles and rights at work” (ISO 26000 6.3.10).

Companies may unknowingly be using compulsory and forced labour due to their links to contractors and suppliers in countries that provide a less extensive framework or because they do not check the compliance to laws concerning the employment relationship. One way to help abolish forced and compulsory labour is through controlled and legal employment, and employment relationships.

The issue “Conditions of work and social protection” takes into account wages and other forms of compensation such as working time, rest periods, holidays, disciplinary and dismissal practices, maternity protection and welfare. The threat of deprivation of these conditions leads to forced labour. This issue can also be related to Global Compact Principle 4.

**The following questions help address such issues of employment and conditions of work:**

- Are all men and women working for the company legally recognized as employees?
- Does the company provide reasonable notice to employees when considering changes in operations that might affect their employment?
- When operating internationally, does the company try to support and increase employment of nationals of the host country?
- Are the working conditions compliant with local law and consistent with international labour standards?
- Does the company provide equal pay for work of equal value?

### **Issue 3. Social Dialogue (6.4.5)**

ISO 26000 defines this issue as “all types of negotiation, consultation or exchange of information between or among representatives of governments, employers and workers, on matters of common interest relating to economic and social concerns.” (6.4.5.1). There is a clear linkage with Global Compact Principle 3 on the freedom of association and the effective recognition of the right to collective bargaining.

**Following are examples of questions that can help companies improve their approach to social dialogue:**

- Does the company respect the right of employees to form or join an organization in order to bargain collectively?

- Does the company provide advance notice to representatives of workers when operational changes will impact employment greatly?
- Does the company refrain from encouraging governments to restrict the rights of collective bargaining and freedom of association?

#### Issue 4. Health and Safety at Work (6.4.6)

This issue challenges companies to protect the physical, mental and social well-being and safety of their employees. ISO 26000 suggests that a key component of a strong occupational health and safety programme is a joint labour-management health and safety committee with members of the management, as well as employee representatives by equal numbers.

**The following questions may help companies implement issues of health and safety at work into systematic processes:**

- Has the company developed and implemented a health and safety policy?
- Does the company analyse and control health and safety risks involved in its activities?
- Does the company record and investigate all health and safety incidents in order to minimize or eliminate them?
- Does the company strive to eliminate hazards in the workplace?

#### Issue 5. Human Development and Training in the Workplace (6.4.7)

This issue challenges companies to offer employees the opportunity to expand their capabilities and function, thereby increasing self-fulfilment and improvement of employability. ISO 26000 suggests that such policies can further human development in important realms, for example through improving gender equality and promoting better health and well-being.

**Following are examples of questions that can help give an overview of the weak spots in the area of human development and training:**

- Are skills development, training and apprenticeships, and opportunities for career advancement available to all employees?
- Does the company respect family responsibilities providing parental leave or other measures that help employees achieve a work-life balance?

## FEATURED LABOUR TOOLS AND RESOURCES

### **THE LABOUR PRINCIPLES OF THE UN GLOBAL COMPACT – A GUIDE FOR BUSINESS**

Explains the four labour principles of the UN Global Compact and provides an inventory of key resources to help integrate these principles into business operations. (ILO/UNGC, 2008)

### **ILO HELPDESK**

Helps company managers and employees understand the application of international labour standards and build good industrial relations. The Helpdesk deals with questions relating to international labour standards and draws on guidance from a wide range of declarations, conclusions, guidelines, tools and instruments. (ILO, 2009)

### **HUMAN TRAFFICKING – EVERYBODY'S BUSINESS**

Presents findings from the Private Sector Survey on Human Trafficking and includes background information on human trafficking and the impact of business activity, as well as a summary of the survey results. (UNGC/UN.GIFT/ILO/UN-ODC, 2009)

### **COMBATING FORCED LABOUR – A HANDBOOK FOR EMPLOYERS AND BUSINESS**

Provides guidance to employers' organizations and individual companies on forced labour and human trafficking, including practical tools and materials that help identify why it is a concern for business and actions that can be taken. (ILO, 2008)

### **ELIMINATING CHILD LABOUR – GUIDES FOR EMPLOYERS**

Provides ideas, advice and examples for prevention of child labour, the withdrawal of children from work and the protection of young workers from hazardous conditions. (ILO, 2007)

### **ILO-IPEC GUIDELINES FOR DEVELOPING CHILD LABOUR MONITORING PROCESSES**

Provides information on how to design, develop and operate child labour monitoring along with practical examples that will help to adapt the model to specific child labour situations. (ILO, 2006)

For a complete list of labour related tools and resources please visit the Labour section of the UN Global Compact website: [www.unglobalcompact.org/issues/labour](http://www.unglobalcompact.org/issues/labour)

## C. Environment

### THE UN GLOBAL COMPACT PRINCIPLES 7-9

UNGC PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges

UNGC PRINCIPLE 8: Businesses should undertake initiatives to promote greater environmental responsibility

UNGC PRINCIPLE 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

### ISO 26000, THE ENVIRONMENT (6.5), ISSUES 1-4

1. Prevention of pollution
2. Sustainable resource use
3. Climate change mitigation and adaptation
4. Protection and restoration of the natural environment

Both ISO and the UN Global Compact guide companies towards more environmentally aware business practices. While the Global Compact's environment principles are covered by ISO 26000, Principle 9 is not covered as a separate issue but is referenced as a consideration linked to the "use of environmentally sound technologies and practices".

#### Issue 1. Prevention of Pollution (6.5.3)

The different forms of pollution mentioned by ISO 26000 are emissions to air, discharges to water, waste, release of toxic and hazardous chemicals and other forms of identifiable pollution such as noise, vibration, radiation or infectious agents. This issue can be linked to the Global Compact Principle 7 calling for a precautionary approach to environmental challenges.

**In order to be precautionary and prevent pollution it is useful to critically assess the following questions:**

- Which are the (most important) sources of pollution and waste related to the activities of a company?
- Has the company implemented measures to prevent pollution and waste?
- Does the company measure, record and report on the reduction of pollution, water and energy consumption, and waste generation?
- Has the company implemented a chemical accident prevention plan?

#### Issue 2. Sustainable Resource Use (6.5.4)

ISO 26000 focuses on three areas of action regarding sustainable resource use: energy efficiency, water consumption and access to water and materials efficiency. Promoting greater environmental responsibility, as stated in the UN Global Compact Principle 8, may also include banning certain products or substances or development of new, innovative production processes or products.

**In addition to the above questions regarding pollution prevention, guiding questions a company should consider when addressing sustainable resource use include:**

- How does the company source, indicate and benchmark its energy, water, raw materials and other resources?
- Does the company use recycled materials and reused water as much as possible?
- Does the company promote sustainable consumption?

### Issue 3. Climate Change Mitigation and Adaptation (6.5.5)

ISO 26000 suggests that companies should identify sources of direct and indirect greenhouse gas emissions (GHG) and define its boundaries of influence. A company should measure, record and report on significant GHG emissions and progressively reduce and minimize them. Prevention should be considered to be more important than reduction. Companies are encouraged to use the United Nations Framework Convention on Climate Change (UNFCCC) mechanisms (e.g. in the Kyoto Protocol) to reduce their GHG liabilities. ISO 26000 also states the need for companies to adapt to climate change and consider the social implications and impact on health, prosperity and human rights.

**To address vulnerability to climate change, following are examples of questions that should be addressed by a company:**

- Are future global and local climate projections, as well as the implied risks, considered?
- Have opportunities been identified to avoid or minimize damage associated with climate change
- Has the company taken advantage of opportunities to adjust to changing climate conditions?
- Are sources of direct and indirect GHG emissions identified and have boundaries been defined?

ISO 26000, Box 10, can be of additional help when considering adaptation actions. It describes actions taking into account the implications of changing climate conditions when planning for land use or infrastructure design; ensuring the security of drinking water, sanitation and food when developing technologies and techniques regarding agricultural and industrial projects; restoring wetlands, re-routing rivers from residential areas and reducing the use of non-porous surfaces in urban areas; providing education on the importance of preventative measures regarding climate change.

### Issue 4. Protection and Restoration of the Natural Environment (6.5.6)

This issue suggests that companies should value the various functions and services ecosystems provide. If these are negatively affected by a company's operations measures should be taken to restore or even upgrade the exploited lands or waters. In particular ISO 26000 suggests the valuing and protection of biodiversity.

**To follow ISO 26000 guidance on the protection and restoration of the natural environment companies should address the following questions:**

- Has the company identified potential adverse impacts on ecosystem services and biodiversity and taken measures to eliminate or minimize these impacts?
- Does the company give highest priority to avoiding the loss of natural ecosystems and restoring ecosystems?
- If this is not possible: Does the company compensate for losses through actions that will lead to a net gain in ecological services over time?
- Have planning, design and operating practices been implemented to minimize the possible environmental burdens resulting from company operations?
- Has the company adopted sustainable agricultural, fishing, animal welfare and forestry practices as defined in leading standards and certification schemes?
- Does the company avoid approaches that threaten the survival of species?

## FEATURED ENVIRONMENT TOOLS AND RESOURCES

### **CARING FOR CLIMATE: A CALL TO BUSINESS LEADERS**

Outlines engagement opportunities through the Caring for Climate initiative, which assists companies to advance practical solutions, share experiences and inform public policy. (UNGC/UNEP/WBCSD, 2008)

### **CONNECTING THE DOTS – HOW CLIMATE CHANGE TRANSFORMS MARKET RISKS AND OPPORTUNITIES**

Charts the intimate interaction of climate change with other key issues on the global agenda and identifies the requirement this places on governments and international agencies to develop a new level of policy coherence. (UNGC, 2009)

### **CHAMPIONS OF THE LAW-CARBON ECONOMY – WHY CEOs ARE READY FOR A GLOBAL CLIMATE AGREEMENT**

Conveys insights from 40 Chairpersons and CEOs from around the globe regarding the need for climate change action. (UNGC/Dalberg, 2009)

### **CARING FOR CLIMATE SERIES – BEST PRACTICES AND POLICY FRAMEWORKS: THE 2009 SURVEY OF CARING FOR CLIMATE SIGNATORIES**

Collects best practices from Caring for Climate Signatories and assesses them in terms of effectiveness. (GlobeScan, 2009)

### **CARING FOR CLIMATE SERIES – ENERGY EFFICIENCY AND LOW CARBON INTENSITY: ARE WE MAKING PROGRESS?**

Analyses carbon disclosures by Caring for Climate Signatories and makes suggestions for the future of the carbon disclosure process. (Yale University School of Forestry & Environmental Studies/Centre for Business and the Environment at Yale, 2009)

### **CARING FOR CLIMATE SERIES – CHANGE IS COMING: A FRAMEWORK FOR CLIMATE CHANGE - A DEFINING ISSUE OF THE 21ST CENTURY**

Analyses the implications of climate change on long-term corporate performance, the responses of companies to emerging environmental pressures and the consequent investment conclusions. (Goldman Sachs, 2009)

### **CARING FOR CLIMATE SERIES – INVESTOR LEADERSHIP ON CLIMATE CHANGE: AN ANALYSIS OF THE INVESTMENT COMMUNITY'S ROLE AND SNAPSHOT OF RECENT INVESTOR ACTIVITY**

Explores how investors are becoming more aware of the climate change agenda and how awareness is shifting investor behaviour. (UNPRI, 2009)

### **CARING FOR CLIMATE SERIES – BUILDING A GREEN RECOVERY**

Explores the impact of the global financial crisis upon green initiatives from a corporate perspective. (HSBC, 2009)

### **THE CEO WATER MANDATE**

Assists companies in developing a comprehensive approach to water management, covering six key areas: direct operations, supply chain and watershed management, collective action, public policy, community engagement, and transparency. (UNGC/Ministry for Foreign Affairs Sweden, 2007)

**Climate Change and the Global Water Crisis – What Businesses Need to Know and Do** Explores the linkages between climate change and water from both the scientific and corporate management perspectives and underscores the importance of addressing the interconnected environmental challenges in an integrated manner. (UNGC/Pacific Institute, 2009)

### **WATER DISCLOSURE 2.0**

Provides an analysis of current and emerging water reporting practices for 110 companies across 11 water-intensive sectors and offers guidance to companies on potential water disclosure practices. (UNGC/Pacific Institute 2009)

## D. Anti-Corruption

### THE UN GLOBAL COMPACT PRINCIPLE 10

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

### ISO 26000, FAIR OPERATING PRACTICES (6.6), ISSUES 1, 2, 4

(Fair operating practices)  
1. Anti-corruption  
2. Responsible political involvement  
4. Promoting social responsibility in the sphere of influence

Corruption is recognized as a major hindrance to sustainable development, with a disproportionate impact on poor communities. The impact on the private sector is also considerable, impeding economic growth, distorting fair competition and presenting serious legal and reputational risks. The development of corporate governance rules around the world is also prompting companies to focus on anti-corruption measures as part of their measures to protect reputation and the interests of shareholders.

While the UN Global Compact treats anti-corruption as a societal and economic core problem, ISO 26000 addresses anti-corruption in the context of “fair operating practices”, identifying it only as one of several related issues. ISO 26000 states that fair operating practices concern ethical conduct in an organization’s dealings with others. These include relationships between companies and government agencies, as well as partners, suppliers, contractors, competitors and the associations in which they are members.

### Issue 1. Anti-corruption (6.6.3)

According to ISO 26000, corruption is the abuse of entrusted power for private gain. Corruption has two aspects -- active and passive (offering a bribe and accepting a bribe) — and can take many forms such as bribery of domestic and foreign public officials, bribery in the private sector, conflict of interest, fraud, money laundering and trading in influence.

ISO 26000 also recognized the linkages between corruption and other core subjects, stating that “Corruption can result in the violation of human rights, the erosion of political processes and damage to the environment. It can also distort competition, distribution of wealth and economic growth.” (ISO 26000, 6.6.3.1)

**To prevent corruption and bribery, a company should ask key questions including:**

- Have policies and practices been implemented that counter corruption, bribery and extortion?
- Does the management of the company set a good example with regard to anti-corruptive behaviour?
- Are employees and representatives being supported in their efforts to eradicate bribery and corruption and have these been provided with incentives for progress?
- Does the company train and raise the awareness of employees and representatives about corruption and how to counter it?
- Is the remuneration of employees and representatives appropriate and for legitimate services only?
- Has the company established a system of internal control to counter corruption?
- Are employees, partners, representatives and suppliers encouraged to report violations of the

organization's policies by adopting mechanisms that enable reporting without fear of reprisal?

- Are violations of the criminal law brought to the attention of the relevant law enforcement authorities?
- Does the company oppose corruption by influencing others to adopt similar anti-corruption practices?

## **Issue 2. Responsible Political Involvement (6.6.4)**

As with many other forms of financial and in-kind support to political or social advocacy groups, transparency is the key to avoid allegations of unfair competition or one-sided influencing.

**In order to maintain responsible political involvement a company should assess its position by considering questions which include:**

- Are the policies and activities related to lobbying, political contributions and political involvement transparent?
- Does the company avoid political contributions that attempt to control policymakers in favour of a specific cause?

## **Issue 4. Promoting Social Responsibility in the Sphere of Influence (6.6.6)**

This issue describes the need for a guidance standard such as ISO 26000 and the application of the UN Global Compact Principles. The points mentioned are fundamental expectations of all signatories of the UN Global Compact to advance corporate responsibility principles in their operations and throughout the supply chain. Even though the hierarchy of issues differs from that of the UN Global Compact, this ISO26000 issue confirms the importance for companies to act according to the principles and address the relevant issues.

**The issues mentioned form a summary of general expectations of companies:**

- Has the company incorporated ethical, social, environmental and gender equality criteria, in its purchasing, distribution and contracting policies?
- Does the company encourage other organisations to adopt similar policies, without indulging in anti-competitive behaviour in doing so?
- Are relevant and appropriate investigations carried out and monitored with organizations the company has relationships with? Do these include preventing compromise of the company's commitments to social responsibility?
- Does the company actively participate in raising the awareness of social responsibility in organisations which it has relationships with?
- Does the company promote implementing socially responsible practice in its value/supply chain?



## FEATURED ANTI-CORRUPTION TOOLS AND RESOURCES

### REPORTING GUIDANCE ON THE 10TH PRINCIPLE AGAINST CORRUPTION

This guidance, developed in the framework of the Global Compact, equips business with a practical means to report on anti-corruption policies and actions comprehensively and effectively. (UNGC/Transparency International, 2009)

### RESIST – RESISTING EXTORTION AND SOLICITATION IN INTERNATIONAL TRANSACTIONS

Provides practical guidance for practitioners – using seven scenarios linked to the procurement process – on responding to inappropriate demands in the most efficient and ethical way. (UNGC/ICC/Transparency International/WEF PACI, 2009)

### FIGHTING CORRUPTION THROUGH COLLECTIVE ACTION – A GUIDE FOR BUSINESS

Outlines options for combating market corruption based on “how to” examples from many regions and sectors. Includes a range of tools that help users tailor collective action frameworks to their specific circumstances and needs. (World Bank Institute/UNGC and other partners, 2008)

### CLEAN BUSINESS IS GOOD BUSINESS – THE BUSINESS CASE AGAINST CORRUPTION

Brochure outlining why companies and corporate practitioners should actively engage in the fight against corruption. (UNGC/ICC/Transparency International/WEF PACI, 2008)

### BUSINESS AGAINST CORRUPTION – CASE STORIES AND EXAMPLES

Examples of how to deal with challenges when implementing the Global Compact's anti-corruption principle. (UNGC, 2006)

### BUSINESS AGAINST CORRUPTION – A FRAMEWORK FOR ACTION

Resources and tools to assist companies in implementing the 10th principle against corruption. (UNC/IBLF/Transparency International, 2005)

For a complete list of labour related tools and resources please visit the Anti-corruption section of the UN Global Compact website: [www.unglobalcompact.org/issues/transparency\\_anticorruption](http://www.unglobalcompact.org/issues/transparency_anticorruption)

## Annex 1. UN Global Compact Principles and ISO 26000 Core Subjects

UNGC Principle	ISO 26000 Clause	ISO 26000 Core Subjects / Issue
<b>Principle 1</b>	<b>6.3</b>	<b>Human Rights</b>
	6.3.3	Due diligence
	6.3.4	Human rights risk situations
	6.3.5	Avoidance of Complicity
	6.3.6	Resolving Grievances
	6.3.7	Discrimination and vulnerable groups
	6.3.8	Civil and political rights
	6.3.9	Economic, social and cultural rights
	6.3.10	Fundamental principles and rights at work
	Box 6	The International Bill of Human Rights and core human rights instruments
	Box 7	Child labour
<b>Principle 2</b>	<b>6.3</b>	<b>Human Rights</b>
	6.3.3	Due diligence
	6.3.4	Human rights risk situations
	6.3.5	Avoidance of Complicity
<b>Principle 3</b>	<b>6.3</b>	<b>Human Rights</b>
	6.3.8	Civil and political rights
	6.3.10	Fundamental principles and rights at work
	<b>6.4</b>	<b>Labour practices</b>
	6.4.3	Employment and employment relationships
	6.4.4	Conditions of work and social protection
	6.4.5	Social dialogue
	<b>6.6</b>	<b>Fair Operating Practices</b>
	6.6.4	Responsible political involvement
<b>Principle 4</b>	<b>6.3</b>	<b>Human Rights</b>
	6.3.4	Human rights risk situations
	6.3.10	Fundamental principles and rights at work
	<b>6.4</b>	<b>Labour practices</b>
	6.4.4	Conditions of work and social protection
<b>Principle 5</b>	<b>6.3</b>	<b>Human Rights</b>
	Box 6	Child labour
	6.3.3	Due diligence
	6.3.4	Human rights risk situations
	6.3.7	Discrimination and vulnerable groups
	6.3.10	Fundamental principles and rights at work

<b>Principle 6</b>	<b>6.3</b>	<b>Human Rights</b>
	6.3.7	Discrimination and vulnerable groups
	6.3.10	Fundamental principles and rights at work
	<b>6.4</b>	<b>Labour practices</b>
	6.4.3	Employment and employment relationships
	6.4.4	Conditions of work and social protection
	6.4.5	Social dialogue
	6.4.7	Human development and training in the workplace

<b>Principle 7</b>	<b>6.5</b>	<b>The environment</b>
	6.5.4	Sustainable resource use
	6.5.5	Climate change mitigation and adaptation
	<b>6.6</b>	<b>Fair Operating Practices</b>
	6.6.6	Promoting social responsibility in the sphere of influence

<b>Principle 8</b>	<b>6.5</b>	<b>The environment</b>
	6.5.3	Prevention of pollution
	6.5.4	Sustainable resource use
	6.5.5	Climate change mitigation and adaptation
	6.5.6	Protection and restoration of the natural environment

<b>Principle 9</b>	<b>6.5</b>	<b>The environment</b>
	6.5.4	Sustainable resource use
	6.5.5	Climate change mitigation and adaptation
	<b>6.6</b>	<b>Fair Operating Practices</b>
	6.6.4	Responsible political involvement

<b>Principle 10</b>	<b>6.6</b>	<b>Fair Operating Practices</b>
	6.6.3	Anti-corruption
	6.6.4	Responsible political involvement
	6.6.6	Promoting social responsibility in the sphere of influence

## Annex 2. ISO 26000 Core Subjects and the UN Global Compact Principles

ISO 26000 Core Subject / Issue	ISO 26000 Clause	UNGC Principle
<b>Human rights</b>	<b>6.3</b>	<b>1, 2</b>
Due diligence	6.3.3	Principles 1, 2, 5
Human rights risk situations	6.3.4	Principles 1,2, 4, 5
Avoidance of Complicity	6.3.5	Principles 1,2
Resolving grievances	6.3.6	Principle 1
Discrimination and vulnerable groups	6.3.7	Principles 1, 5, 6
Civil and political rights	6.3.8	Principles 1, 3
Economic, social and cultural rights	6.3.9	Principle 1
Fundamental principles and rights at work	6.3.10	Principles 1, 3-6
<b>Labour Practices</b>	<b>6.4</b>	<b>Principles 3-6</b>
Employment and employment relationships	6.4.3	Principles 3, 6
Conditions of work and social protection	6.4.4	Principles 3, 4, 6
Social dialogue	6.4.5	Principles 3, 6
Health and safety at work	6.4.6	---
Human development and training in the workplace	6.4.7	Principle 6
<b>The environment</b>	<b>6.5</b>	<b>Principles 7-9</b>
Prevention of pollution	6.5.3	Principle 8
Sustainable resource use	6.5.4	Principles 7-9
Climate change mitigation and adaptation	6.5.5	Principles 7-9
Protection and restoration of the natural environment	6.5.6	Principle 8
<b>Fair operating practices</b>	<b>6.6</b>	<b>Principle 10</b>
Anti-corruption	6.6.3	Principle 10
Responsible political involvement	6.6.4	Principle 10
Promoting social responsibility in the sphere of influence	6.6.6	Principle 10