



International Organisation of Employers  
Organisation Internationale des Employeurs  
Organización Internacional de Empleadores  
*The Global Voice of Business*

# Overview of the main international instruments on responsible business conduct

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## WHAT INSTRUMENTS WILL WE LOOK AT?



OECD

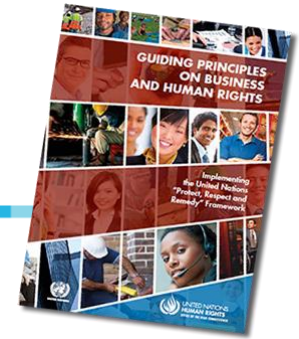
Guidelines for  
Multinational  
Enterprises

UN Global Compact

ISO 26000

UN Guiding  
Principles on  
Business and  
Human Rights





## UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

- Authoritative UN Framework on Business and Human Rights
- Unanimously endorsed by the UN Human Rights Council in June 2011
- Supported by Governments, Business, Trade Unions and NGOs
- Based on existing international human rights treaties and conventions
- Based on the “protect, respect and remedy” framework:
  - Protect: it is the duty of the state to protect its people against human rights infringements by non-state players.
  - Respect: it is the duty of companies to respect human rights and to put in place the management structures necessary to this end.
  - Remedy: judicial and non-judicial grievance mechanisms need to be developed and reinforced in order to improve defence against human rights infringements.



## WHAT IS EXPECTED FROM COMPANIES?

To meet the responsibility to respect human rights, a business needs to have:

- Policy commitment to meet the responsibility to respect human rights
- Human rights due diligence process to identify, prevent, mitigate and account for how the company addresses its human rights impact
- Processes to enable remediation of any adverse human rights impacts the company causes or to which it contributes



## KEY CONCEPT DUE DILIGENCE

- Due diligence is the process whereby enterprises identify, prevent and mitigate actual and potential adverse human rights effects to stakeholders.
- Nature and scope of due diligence demand a tailor-made approach (depending on enterprise size, the context of the business activity, the gravity of the adverse effects).



## QUESTIONS ON UN GUIDING PRINCIPLES?





## UN GLOBAL COMPACT



- The Global Compact describes itself as the largest voluntary corporate sustainability initiative in the world.
- Has its origins in a speech by the then UN Secretary-General Kofi Annan at the 1999 World Economic Forum in Davos, where he called on the business community to join with the UN in helping to put a human face on globalisation.
- 10 principles on Human Rights, Labour Standards, Environment, Corruption .
- More than 12,000 participants, including over 9,000 businesses, in 145 countries around the world.
- Global Compact office in New York has a budget of US \$ 9 million .



## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

### Human rights

- Support and respect the protection of internationally proclaimed human rights within their sphere of influence, and
- Make sure that they are not complicit in human rights abuses.

### Labour relations

- Uphold freedom of association and the effective recognition of the right to collective bargaining, and
- encourage elimination of all forms of forced and compulsory labour,
- effective elimination of child labour, and
- elimination of discrimination in respect of employment and occupation.

### Environment

- Support for a precautionary approach to environmental challenges,
- Undertake initiatives to promote greater environmental responsibility, and
- Encourage development and diffusion of environmentally friendly technologies.

### Combatting Corruption

- Businesses should work against all forms of corruption, including extortion and bribery.





## WHAT COMMITMENTS ARE REQUIRED OF SIGNATORIES?

- to make the ten principles part of their business strategies and day-to-day operations;
- to issue an annual Communication on Progress (COP), a public disclosure to stakeholders (investors, consumers, civil society, governments, etc.) on progress made in implementing the ten principles, and in supporting broader UN development goals;
- to advocate for the Global Compact;
- There is also the expectation that signatory companies contribute to the financing of the Global Compact Office and the regional and local network activities.



## WHAT HAPPENS IF A GC MEMBER FAILS IN ITS COMMITMENT?

- If a member fails to communicate its progress by the deadline, it will be listed on the Global Compact website as "non-communicating". If a further year passes without the submission of a COP, the company will be expelled.
- The Global Compact reserves the right to publish the names of companies that have been expelled for failure to communicate progress.
- Thus, before signing up, a company should be aware of the long-term commitments involved.



## WHY IS THE GLOBAL COMPACT RELEVANT FOR BUSINESS?

- The Global Compact is one useful tool and framework for guiding responsible business.
- There is growing stakeholder expectation that companies adhere to the principles of the Global Compact, and in 2011 the EU Commission issued a Communication on CSR, inviting large European enterprises to make a commitment by 2014 to take the principles into account when developing their CSR approaches.
- The Global Compact offers a comprehensive structure to promote peer learning through its multiple working groups and regional and local networks .



## QUESTIONS ON THE GLOBAL COMAPCT?





## OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES



- Recommendations from governments to business.
- Responsible business behaviour abroad in ten areas.
- Not exclusively addressed to large enterprises: they expressly also relate to small and medium-sized enterprises that are active on a multinational scale.
- Voluntary, **but** grievance mechanism (mediation by National Contact Points).
- Not legally enforceable, because they are intended to stimulate fair behaviour and not to trigger legal disputes.



## CONTENT OF THE OECD GUIDELINES

- General policies
- Disclosure
- Human rights
- Employment and industrial relations
- Environment
- Combating bribery
- Consumer interests
- Science and technology
- Competition
- Taxation



## WHAT IS THE ESSENCE OF THE OECD GUIDELINES?

Multinational enterprises should avoid adverse impacts of their own business activities on the interests that are covered by the Guidelines. Which means

- do not cause.
- do not substantially contribute.
- seek to avert that partners infringe (“*This is not intended to shift responsibility*”).
- encourage suppliers to apply.



## QUESTIONS ON THE OECD MNE GUIDELINES?







## ISO 26000



- ISO (International Organization for Standardization) is the world's largest developer of voluntary international standards.
- Founded in 1947, it has published more than 19 500 International Standards covering most aspects of technology and business.
- ISO is also becoming increasingly active in the social sphere: ISO 26000, ISO work on Human Resources.



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## OBJECTIVES OF ISO 26000

- to assist all kinds of organizations in contributing to sustainable development.
- ISO 26000 is a voluntary guidance standard.
- ISO 26000 is not a management system standard.
- It is not intended or appropriate for certification purposes or regulatory or contractual use.



## CONTENT OF ISO 26000

- Definition of key terms and the principles of SR (ch. 2 and 4).
- Guidance on recognising SR and identify and engage the relevant stakeholder (ch. 5).
- Core subjects of SR (ch. 6).
- Recommendations on how to integrate SR into the organisation (ch. 7).



## SEVEN PRINCIPLES OF SOCIAL RESPONSIBILITY

- ❖ **Accountability** for impacts on society, the economy and the environment
- ❖ **Transparency** in decisions and activities that impact on society and the environment
- ❖ **Ethical behaviour**
- ❖ **Respect, consideration and responsiveness towards stakeholder interests**
- ❖ **Respect for the rule of law**
- ❖ **Respect for international norms of behaviour**
- ❖ **Respect for human rights** and recognition of their importance and universality



# CORE SUBJECTS

ISO 26000:2010(E)

Table 2 — Core subjects and issues of social responsibility

Core subjects and issues	Addressed in sub-clause
Core subject: Organizational governance	6.2
Core subject: Human rights	6.3
Issue 1: Due diligence	6.3.3
Issue 2: Human rights risk situations	6.3.4
Issue 3: Avoidance of complicity	6.3.5
Issue 4: Resolving grievances	6.3.6
Issue 5: Discrimination and vulnerable groups	6.3.7
Issue 6: Civil and political rights	6.3.8
Issue 7: Economic, social and cultural rights	6.3.9
Issue 8: Fundamental principles and rights at work	6.3.10
Core subject: Labour practices	6.4
Issue 1: Employment and employment relationships	6.4.3
Issue 2: Conditions of work and social protection	6.4.4
Issue 3: Social dialogue	6.4.5
Issue 4: Health and safety at work	6.4.6
Issue 5: Human development and training in the workplace	6.4.7
Core subject: The environment	6.5
Issue 1: Prevention of pollution	6.5.3
Issue 2: Sustainable resource use	6.5.4
Issue 3: Climate change mitigation and adaptation	6.5.5
Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	6.5.6
Core subject: Fair operating practices	6.6
Issue 1: Anti-corruption	6.6.3
Issue 2: Responsible political involvement	6.6.4
Issue 3: Fair competition	6.6.5
Issue 4: Promoting social responsibility in the value chain	6.6.6
Issue 5: Respect for property rights	6.6.7
Core subject: Consumer issues	6.7
Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	6.7.3
Issue 2: Protecting consumers' health and safety	6.7.4
Issue 3: Sustainable consumption	6.7.5
Issue 4: Consumer service, support, and complaint and dispute resolution	6.7.6
Issue 5: Consumer data protection and privacy	6.7.7
Issue 6: Access to essential services	6.7.8
Issue 7: Education and awareness	6.7.9
Core subject: Community involvement and development	6.8
Issue 1: Community involvement	6.8.3
Issue 2: Education and culture	6.8.4
Issue 3: Employment creation and skills development	6.8.5
Issue 4: Technology development and access	6.8.6
Issue 5: Wealth and income creation	6.8.7
Issue 6: Health	6.8.8
Issue 7: Social investment	6.8.9



## WHAT ARE THE MAIN STRENGTHS OF ISO 26000?

- It reflects broad international consensus on the elements of social responsibility, drawn from authoritative international instruments.
- As such, it serves as a good basis for cross-border discussions on social responsibility.
- It provides good orientation for starting a social responsibility journey.
- It contains a good basis for engaging in stakeholder dialogue and other external discussions.
- It allows for freedom of use: users may draw upon as much or as little of the guidance as necessary to help inform their own social responsibility policies or practices.



## WHAT ARE THE MAIN WEAKNESSES?

- Unlike other international SR instruments, ISO 26000 is **not available free of charge**.
- At 118 pages, it is **long, complex and difficult to read**.
- Many elements of the guidance are oriented more toward larger organizations and will **not be relevant for smaller or medium-sized organizations**.
- The guidance **tends to dictate** actions rather than to explain the benefits of SR and encourage action.
- Even though ISO 26000 is explicitly not for certification, **it has been misused** by many certification services.



## QUESTIONS ON ISO 26000?







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A close-up photograph of a computer keyboard. The central focus is a large, blue key with the words "Thank You" printed on it in white, sans-serif font. The surrounding keys are grey and slightly out of focus.