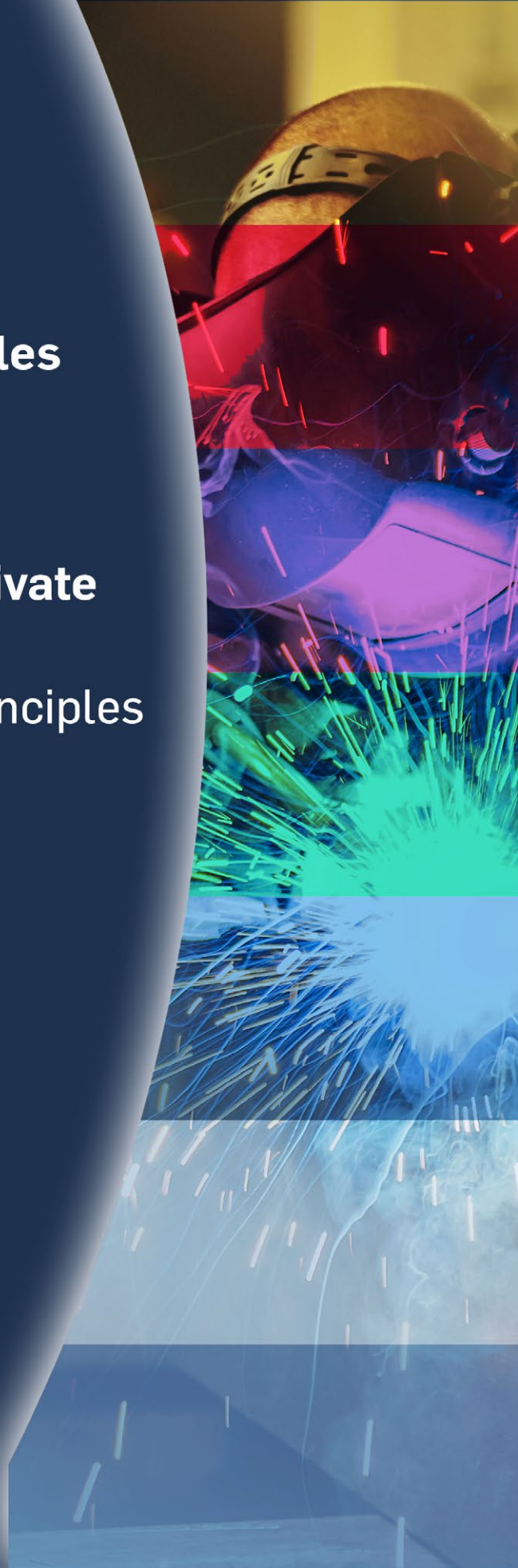




United Nations
Global Compact

**Global Compact Ten Principles
Applied in Infrastructure
Sectors under the Belt and
Road Initiative (BRI)
— A Practical Guide for Private
Sector Players:
Human Rights and Labour Principles**



PURPOSE OF THE PUBLICATION AND ACKNOWLEDGEMENTS

This Publication is an output of the UN Peace and Development Trust Funds (UNPDF) supported project (PDF-SDG-2021-8): Implementing 2030 Agenda through UNGC Action Platform on Sustainable Infrastructure for the Belt and Road Initiative to Accelerate the Sustainable Development Goals.

In his remarks at the 2nd Belt and Road Forum for International Cooperation in 2019, the Secretary-General of the United Nations Mr. Antonio Guterres emphasized, "The five pillars of the Belt and Road — policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people exchanges — are intrinsically linked to the 17 Sustainable Development Goals." And "the world will benefit from a Belt and Road Initiative that accelerates efforts to achieve the Sustainable Development Goals (SDGs)".

In the Joint Communique of the Leaders' Roundtable of the 2nd Belt and Road Forum for International Cooperation, nearly 40 heads of states said: "In the interest of sustainability, we support improving cooperation in project preparation and implementation, to promote projects that are investable, bankable, economically viable and environment-friendly. We call on all market players in the Belt and Road cooperation to fulfill their corporate social responsibility and follow the principles of UN Global Compact.

Supported by the UN Peace and Development Trust Fund (UNPDF), the UN Global Compact has developed its Ten Principles Guide, with the objective of engaging private sector players that participated in infrastructure projects under the Belt and Road Initiative to align their operations with the principles of the Global Compact and ensure that people and the planet prosper as a result of responsible business conduct that realizes the private sector's greatest potential to accelerate the SDGs.

We would like to thank the following UN agencies, think tanks, organizations and individuals¹ for their invaluable contribution to the development of the Guide:

- The United Nations Development Programme (UNDP)
- The United Nations Children's Fund (UNICEF)
- UN Women
- International Labour Organization (ILO)
- The United Nations Resident Coordinator's Office in China

We would like to express our appreciation for the invaluable support of the United Nations Peace and Development Trust Funds (UNPDF) in making this publication available.

¹ Xiaohui Liang, Heng Jiang, Feiqin Liu, Lanke Fu, Riwang Zhou and etc

Sustainable Infrastructure is Key to Sustainable Future

In our interconnected world, where the pace of change is swift and the challenges multifaceted, the infrastructure sector stands as both a reflection of our aspirations and a foundation for our shared future. In particular, the infrastructure sector, when viewed through the lens of sustainable development, reveals a landscape of opportunities and challenges because we have the chance to create projects that respect our planet, uplift communities and operate with unparalleled integrity.

The United Nations Global Compact is the world's largest corporate sustainability initiative. Our ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through accountable companies and ecosystems that enable change. In this regard, the Ten Principles of the UN Global Compact can enrich this landscape by providing actionable insights and best practices that transform infrastructure from mere physical constructs to holistic, sustainable endeavors.

The report, "Global Compact Ten Principles Applied in Infrastructure Sectors under the BRI: A Practical Guide for Private Sector Players", offers a profound exploration into the transformative potential and responsibilities inherent in infrastructure development. As we navigate the complexities of global infrastructure development, this guide serves as a beacon, illuminating the path towards responsible and sustainable practices.

The guide relates the harmonious integration of the Ten Principles of the UN Global Compact to the infrastructure sector. It charts a course for businesses and stakeholders, emphasising the need for infrastructure projects that are not only economically robust but also ethically impeccable, environmentally conscious and socially beneficial, including when it comes to jobs.

As the Belt and Road Initiative (BRI) scales across continents, the importance of embracing these principles cannot be overstated. They can ensure that the BRI's legacy is sustainable growth, inclusivity and global cooperation.

The depth and breadth of this guide is indicative of the collaborative spirit generated during its compilation. Drawing from diverse case studies, expert insights and practical recommendations, the guide paints a picture of what responsible infrastructure development can and should look like. I am deeply grateful to the authors, contributors and the myriad of stakeholders who have lent their voices and expertise to this endeavor. Their collective wisdom not only enriches this guide but also underscores the pivotal role the infrastructure sector plays in our global sustainability journey.

Furthermore, as we stand at the crossroads of unprecedented technological advancements and pressing global challenges, from climate change to socio-economic disparities, this guide should be seen as a compass, pointing us towards a future where every project is a prime example of sustainability, inclusivity and ethical excellence.

This is also a call to action demanding that private sector players, policymakers and communities embrace a holistic and forward-thinking approach to infrastructure. It calls for an approach that not only seeks to build physical structures but also to foster community growth, protect our planet and uphold the highest standards of governance and transparency.

In closing, this is a vision of a world where every infrastructure project, big or small, is demonstrated proof of our shared values and commitment to a better future. It is also an invitation to all of us to be architects of that future, building not just for today but for the next generations.

With hope and determination!



A handwritten signature in black ink that reads "Sanda Ojiambo".

Sanda Ojiambo

Assistant Secretary-General & CEO
United Nations Global Compact

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Abbreviations

UN	United Nations
UNGPs	United Nations Guiding Principles on Business and Human Rights
ILO	International Labor Organization
OECD	Organization for Economic Cooperation and Development
UNGC	United Nations Global Compact
MNE	Multinational Enterprises
TNC	Transnational Corporations
WEPS	Women's Empowerment Principles
PRI	Principles for Responsible Investment
UDHR	Universal Declaration of Human Rights
BRI	Belt and Road Initiative
BHR	Business and Human Rights
NGO	Non-Governmental Organization
ILS	International Labor Standards
CRBP	Children's Rights and Business Principles
WBCSD	World Business Council for Sustainable Development

Preamble

I. Introduction to Business and Human Rights

The business has all sorts of impacts on human rights. All businesses are expected to avoid and address adverse impacts and risks to their operations and supply chain while contributing to human rights development in their countries and regions. A plurality of international norms and standards elaborates on principles of business and human rights, such as the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the OECD Guidelines for Multinational Enterprises, UN Global Compact (UNGC), Children's Rights and Business Principles, Women's Empowerment Principles (WEPs), and the Principles for Responsible Investment (PRI). Among them, the UNGPs, endorsed by the United Nations Human Rights Council in 2011, provide a globally agreed-upon authoritative framework for what States and businesses need to do to respectively protect and respect the full range of human rights across all business contexts and provide access to remedy for victims of corporate human rights violations. The UNGPs have helped shift focus from corporate philanthropy to accountability, an essential feature of responsible business.

The six human and labor rights principles of the UN Global Compact Ten Principles are mainly derived from the Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.¹ Also, the UN Global Compact principles echo the second pillar of the UNGPs, i.e., "Responsibility to Respect." A fundamental methodology in the UNGPs is to conduct human rights due diligence, a process by which businesses should identify, prevent, and mitigate their actual and potential negative impacts and account for how they are addressed. Human rights due diligence can be used by businesses to avoid and address adverse human rights impacts associated with the principles of the UN Global Compact throughout their own activities, business, and value chain. When enterprises integrate human rights into their operations and across their value chains, they can contribute significantly to the achievement of the Sustainable Development Goals (SDGs), such as Decent Work and Economic Growth (SDG 8) and Reduced Inequalities (SDG 10).

¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

II. Infrastructure Industry of the BRI and the Global BHR Agenda

In 2013, President Xi Jinping proposed the joint construction of the Belt and Road Initiative (BRI), which aims to carry forward the Silk Road spirits, jointly build an open cooperation platform, and provide new impetus for joint cooperation and development. From 2013 to 2020, China's cumulative direct investment in BRI countries hit 136 billion USD, and 27,000 enterprises from BRI countries have made their presence in China with a cumulative actual investment of about 60 billion USD.² As of July 2022, China signed more than 200 cooperation documents with 149 countries and 32 international organizations to build the Belt and Road.³ In 2021, the non-financial direct investment of Chinese companies in BRI participating countries reached 20.3 billion USD. Major investment destinations include Singapore, Indonesia, Malaysia, Vietnam, Bangladesh, the UAE, Laos, Thailand, Kazakhstan and Cambodia. Infrastructure investment accounts for much of all the direct investment in BRI countries. Just in 2021, China inked 6,257 new construction contracts with 60 BRI partner nations. The most critical contractor and financier of infrastructure development in Africa is China.

BRI has brought substantial economic benefits to participating States and their people. A World Bank report published in 2019 estimated that full implementation of the Belt and Road Initiative could help lift 7.6 million people out of extreme poverty (with incomes of less than \$1.90 per day) and 32 million out of moderate poverty (with incomes of less than \$3.20 per day), and boost global trade and BRI economies by 6.2 percent and 9.7 percent respectively, thereby boosting global income by 2.9 percent.⁴

Infrastructure projects can be associated with adverse human rights impacts. There is a plurality of fundamentally important procedural and substantive human rights related to the infrastructure industry, including a high level of health problems and occupational safety and health accidents, rights related to transparency, participation, and accountability, as well as the rights to freedom of thought, opinion, assembly, and association, the right to access information and participate in public affairs and the right to remedy. Sometimes, people are excluded from the outset and are seldom involved throughout the projects. For example, children are not often disaggregated as a group of special interest or concern in the environmental and social due diligence processes that usually accompany the investment in and development of large-scale infrastructure projects, with the common exception of concern for child labor. Weak transparency practices lead to weak accountability, often resulting in a lack of remedies for those whose rights have been affected. Besides bringing economic benefits,⁵ BRI is expected to meet human and labor rights standards and contribute to

² <http://english.mofcom.gov.cn/article/pressconferencehomepage/beltandroad/202111/20211103219229.shtml>

³ <https://www.yidaiyilu.gov.cn/xwzx/roll/77298.htm>

⁴ <https://www.worldbank.org/en/topic/regional-integration/publication/belt-and-road-economics-opportunities-and-risks-of-transport-corridors>

⁵ <https://www.ohchr.org/sites/default/files/2022-01/Baseline-Study-on-the-Human-Rights-Impacts-and-Implications-of-Mega-Infrastructure-Investment.pdf>; ILO, Good Practices and Challenges in Promoting Decent Work in Construction and Infrastructure Projects, see https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_416378.pdf.

developing those rights, as UN Secretary-General António Guterres remarked at the Belt and Road Forum for International Cooperation opening ceremony on April 26, 2019. "We must reimagine and rebuild our world in a way that works for everyone, brings women into the leadership of the economy of the future and expands the opportunities for young people. Now, it is in this context that the Belt and Road Initiative assumes remarkable and urgent importance. With the scale of its planned investments, it offers a meaningful opportunity to contribute to the creation of a more equitable, prosperous world for all and reversing the negative impact of climate change."⁶ The Chinese government also advocates enterprises' responsibility to respect and support human rights. The Chinese government has supported the UNGPs since 2011 and shifted its Policy to prompt enterprises to respect human rights. Responsible business conduct was highlighted in President Xi Jinping's speech at the 2018 Symposium on the Fifth Anniversary of Promoting the Belt and Road Construction Work and the third Belt and Road Construction Symposium in 2021.⁷ The fourth Human Rights Action Plan released in September 2021 also mentioned the importance of responsible business conduct in promoting sustainable investment.⁸ It is clearly stated that China will commit to promoting responsible business conduct in the global supply chains and encouraging Chinese enterprises to abide by the UNGPs.

The Chinese government's initiatives demonstrate its determination to undertake human rights responsibility in investments in the BRI. However, the government has not formulated a comprehensive manual to guide companies in respecting human rights while operating overseas.

6 <https://www.un.org/sg/en/content/sg/statement/2019-04-26/secretary-generals-remarks-the-opening-ceremony-of-the-belt-and-road-forum-for-international-cooperation>

7 CGTN, 'Xi Jinping urges continuous efforts to promote high-quality BRI development.' Nov 19, 2021. <https://news.cgtn.com/news/2021-11-19/Xi-Jinping-addresses-symposium-on-Belt-and-Road-construction-15jUcnDceeQ/index.html>

8 The State Council of PRC, Human Rights Action Plan of China (2021-2025), 9th September 2021.

III. About this Guide

(1) Objectives

The overall objectives of this Guide are raising awareness of infrastructure companies of the BRI and their human rights practices by providing knowledge about internationally recognized human rights related to business and giving advice. To this end, the Guide uses the human rights and labor principles of the UN Global Compact as a conceptual framework to map existing significant norms and related practices.

More specifically, the Guide aims to achieve the following objectives:

- (1) Take stock of critical guiding and practical documents on BHR, including UN conventions and official texts of different UN agencies, such as the ILO, UNICEF, UN Women, and other international organizations, including the OECD. Practical guides from other organizations, including Non-Governmental Organizations, are also mentioned.
- (2) Give a detailed introduction to the human rights and labor principles of the UN Global Compact and indicate that they are available to companies to advance their implementation. A good command of the principles of enterprises will contribute to their practices.
- (3) Propose practical recommendations to companies and introduce existing practices by infrastructure companies.

The stocktaking of guiding and practical documents does not intend to be comprehensive, nor is it an attempt to develop a new set of guidelines in substitution for existing ones. Instead, it aims to provide helpful background information and assist BRI infrastructure companies in fully understanding the development of BHR and what they can do to protect human rights and align their practice with other companies in the infrastructure industry.

(2) Conceptual Framework

The Guide adopts the UN Global Compact's six human rights and labor principles as its conceptual framework to organize and present detailed internationally recognized norms and practice recommendations. The six principles are:⁹

⁹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Human Rights

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

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

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

(3) Research Scope

The Guide principally concerns human and labor rights protection by Chinese infrastructure companies of the BRI. The issue focus of this Guide includes freedom of association and collective bargaining, forced labor, child labor, and discrimination in employment and occupation.

In Guide, multinational enterprises (MNEs) are understood to be enterprises that operate in more than one country/region, with headquarters in the home country and at least one branch in a different host country.¹⁰ Chinese companies of the BRI are MNEs headquartered in China. Cases of MNEs headquartered in other countries are also quoted to provide examples of practices for Chinese infrastructure companies.

The Guide does not intend to comment on, analyze, or evaluate the practices of MNEs. Different MNEs, however, can have their own ways of interpreting the Guide and borrow anything useful according to their circumstances.

¹⁰ For a description of a multinational enterprise (MNE), please refer to paragraph 6 of the ILO MNE Declaration.

(4) Data Sourcing

Research for the Guide is based on a desktop review of publicly available sources, including a plurality of UN norms, guidelines, principles, reports, and guidelines from the OECD and NGOs.

Publicly available material on MNEs is another critical source for the Guide. Cases of MNEs usually come from their websites.

(5) Guide Outline

The rest of this Guide is organized as follows. Chapter 1 briefly introduces human rights, including the definition and evolution of human rights. It also introduces international human rights norms, labor standards, and business relations. Chapters 2 to Chapter 7 are based on the six principles of human and labor rights in the UN Global Compact Ten Principles. These six chapters introduce the definition of the principles and refer to related international and national standards and tools while elaborating on the implications for MNEs to comply or not with these principles. Tips and recommendations for practices are also given to assist MNEs in fulfilling their responsibility to respect human and labor rights. Cases of MNEs in the infrastructure industry are cited throughout the Guide.

1

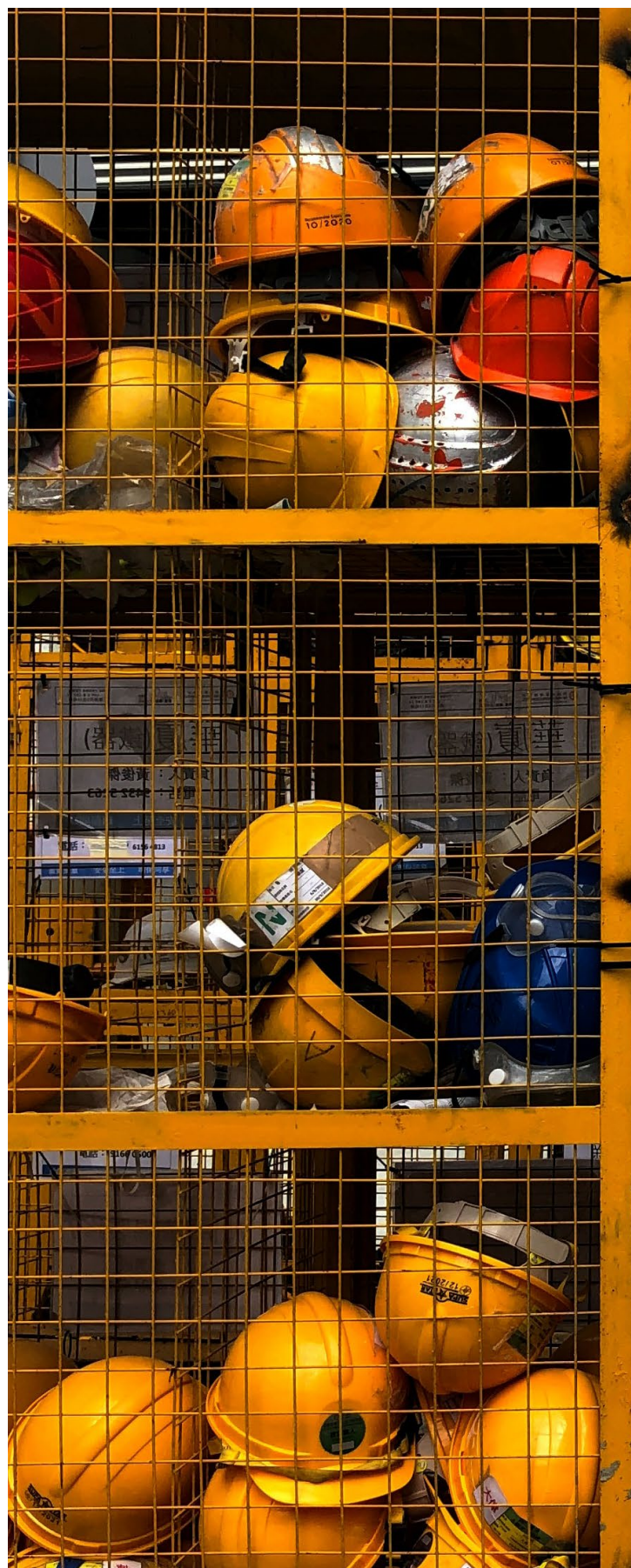
International Labor and Human Rights Standards & Business

1.1 What are Human Rights?

1.1.1 Definition of Human Rights

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education and many more. Everyone is entitled to these rights without discrimination.¹¹

Since companies influence people's lives in all aspects, various human rights are likely affected by companies. Multinational infrastructure companies have their own sector-based human rights risks like other sectors. For example, infrastructure companies can be gender-biased with a dramatically unequal sex ratio. Infrastructure construction can create opportunities for child labour if the project does not have rigorous safeguarding



¹¹ United Nations, "Human Rights", see <https://www.un.org/en/global-issues/human-rights>.



procedures in place and the absence of domestic regulation and monitoring of child labour within host countries. Migrant workers in the construction industry may face forced lab, high health problems, and occupational safety and health accidents, such as excessive overtime work and extreme work conditions.

Extracts from the Former UN Secretary-General Boutros Boutros-Ghali's Report (1995)¹²

"The activities and methods of work of TNCs (Transnational Corporations)¹³ have implications for the effective enjoyment of a number of human rights. These include the right of peoples to self-determination and to permanent sovereignty over their natural wealth and resources; the right to development; the right of everyone to a standard of living adequate for the health and well-being of himself and his family and to the continuous improvement of living conditions; the right of everyone to the enjoyment of the highest attainable standard of physical and mental health; the right to full and productive employment; the right of everyone to the enjoyment of just and favorable conditions of work; the right to form and join trade unions, the right to strike and the right to bargain collectively; the right of everyone to social security; the right of everyone to enjoy the benefits of scientific progress and its applications; and the right of everyone to a social and international order. The practices also affect the rights of certain groups and peoples, including women, children, migrant workers and indigenous peoples."

Extracts from a Study of the Special Representative (2008)¹⁴

"The allegations of abuse reviewed for this study reveal that corporations are seen to impact a wide range of human rights - including civil and political rights; economic, social and cultural rights; and labour rights."

12 Boutros Boutros-Ghali, "The relationship between the enjoyment of human rights, in particular, international labour and trade union rights, and the working methods and activities of transnational corporations", E/CN.4/Sub.2/1995/11, 24 July 1995, p.20, see <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G95/130/59/PDF/G9513059.pdf?OpenElement>.

13 This Guide does not differentiate TNCs with MNEs. TNCs also operate in more than one country/region, with headquarters in the home country and at least one branch in a different host country.

14 Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, "Corporations and Human Rights: A Survey of the Scope and Patterns of Alleged Corporate-related Human Rights Abuse", A/HRC/8/5/Add.2, 23 May 2008, p.12, see <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G08/136/61/PDF/G0813661.pdf?OpenElement>.

1.1.2 The Evolution of Human Rights

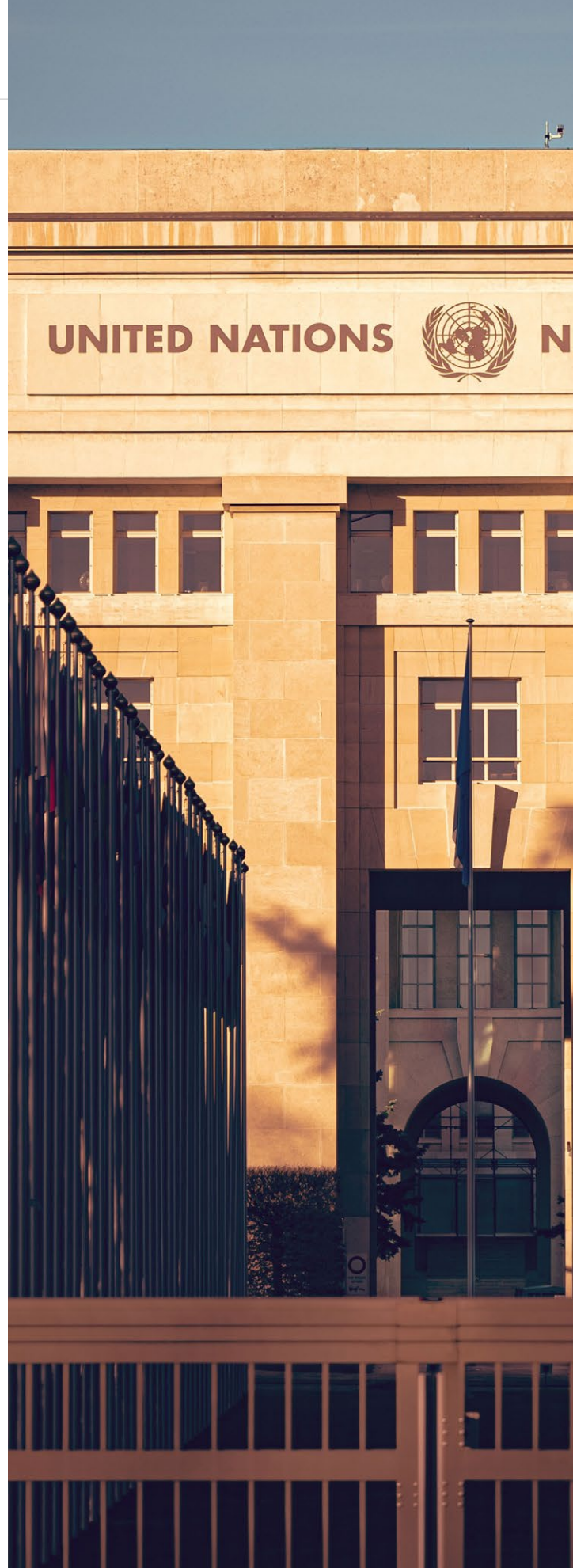
The size and activities of UN Human Rights have increased since the Universal Declaration of Human Rights was adopted in 1948. Today, the body of international human rights law continues to expand. New human rights standards are being built on the Universal Declaration of Human Rights to address emerging human rights issues.¹⁵

Regional human rights mechanisms have also been established. For example, the African Commission on Human and People's Rights, the African Committee of Experts on the Rights and Welfare of the Child, and the African Court on Human and People's Rights.

In the 21st century, UN Human Rights has helped better protect the rights of vulnerable groups such as indigenous peoples, older people and people with disabilities.

There is a growing understanding that companies are responsible for respecting human rights. In 2011, the UN Human Rights Council endorsed the UNGPs for implementing the UN "Protect, Respect and Remedy" Framework. It is the first global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activities.¹⁶

Although the evolution is mainly led by the authority, its impacts on companies are increasing. Responsible business conduct has become a precondition for attracting and receiving investment and finance, gaining customer support and increasing productivity. As a result, there is a growing understanding among the business community that respecting human rights is essential and beneficial for companies. Therefore, it is time for infrastructure companies of the BRI to participate in the evolution and pay attention to international human rights norms.



¹⁵ United Nations, "Websites Regional Human Rights Mechanisms and Arrangements", see <https://www.ohchr.org/en/countries/nhri/websites-regional-human-rights-mechanisms-and-arrangements>.

¹⁶ United Nations, "Brief history of UN Human Rights", see <https://www.ohchr.org/en/about-us/brief-history-un-human-rights>.



1.2 International Human Rights Norms

1.2.1 The Charter of the United Nations

The Charter of the United Nations is the founding document of the United Nations.¹⁷ It significantly impacts the business world, as it outlines the principles and objectives of the UN, including promoting economic and social progress, maintaining international peace and security, and protecting human rights.

¹⁷ United Nations, "United Nations Charter", see <https://www.un.org/en/about-us/un-charter>.
United Nations, "United Nations Charter, Chapter I: Purposes and Principles", see <https://www.un.org/en/about-us/un-charter/chapter-1>. United Nations, "United Nations Charter, Chapter IX: International Economic and Social Cooperation", see <https://www.un.org/en/about-us/un-charter/chapter-9>.

1.2.2 The Universal Declaration of Human Rights (UDHR)

The Universal Declaration of Human Rights (UDHR) is a milestone document in the history of human rights. It was drafted by representatives from all regions of the world with diverse legal and cultural backgrounds, and it established for the first time fundamental human rights to be universally protected. The UDHR is widely recognized as having inspired and paved the way for adopting more than seventy human rights treaties, applied today permanently at global and regional levels (all containing references to it in their preambles).¹⁸

The UDHR is also universally accepted by companies. A large number of companies cite UDHR in their human rights policies.

Case 1.1 An Extract from a French Energy Management and Automation Company's Human Rights Global Policy¹⁹

Beyond the law, this Policy is mainly guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the United Nations Declaration on the Rights of the Child.

1.2.3 International Bill of Rights

In December 1966, the UN General Assembly adopted two international treaties that would further shape international human rights: The International Covenant on Economic Social and Cultural Rights (ICESCR) and The International Covenant on Civil and Political

¹⁸ United Nations, "Universal Declaration of Human Rights", see <https://www.un.org/en/about-us/universal-declaration-of-human-rights>.

¹⁹ Schneider Electric, "Human Rights Global Policy", p.2, see https://download.schneider-electric.com/files?p_enDocType=Brochure&p_File_Name=Human+Rights+Global+Policy.pdf&p_Doc_Ref=Human_Rights_Policy&_ga=2.203118356.485709037.1657193633-1090027147.1657193633.

Rights (ICCPR). These are often referred to as “the International Covenants”.²⁰

The UDHR and these two Covenants are known as the International Bill of Human Rights.

The ICESCR and the ICCPR set out the civil, political, economic, social and cultural rights to which everyone is entitled. Many rights listed in the ICESCR and the ICCPR are closely related to companies, such as freedom from discrimination, the right to equality between men and women, the right to just and favorable conditions at work, and the right to form trade unions. Therefore, some companies declare in their human rights policy that they respect the two covenants. Parts of the rights mentioned in the ICESCR and the ICCPR are listed below.

ICESCR

- Freedom from discrimination
- Right to equality between men and women
- Right to work
- Freedom to choose and accept work
- Right to just and favorable conditions at work
- Right to form trade unions
- Right to strike
- Right of mothers to special protection before and after birth
- Freedom of children from social and economic exploitation
- Right to an adequate standard of living
-

ICCPR

- Freedom from discrimination
- Right to equality between men and women
- Right to life
- Freedom from torture
- Freedom from slavery
- Right to liberty and security of persons
- Right to be treated with humanity in detention
- Freedom of expression
- Right of peaceful assembly
- Freedom of association
- Right to participate in public affairs
-

²⁰ United Nations, “International Bill of Human Rights”, see <https://www.ohchr.org/en/what-are-human-rights/international-bill-human-rights>.

1.2.4 Core Human Rights Treaties

There are nine core international human rights instruments. Each of these instruments has established a committee of experts to monitor implementation of the treaty provisions by its States parties. Although the participants of the treaties are States, it is common for companies to show their commitment to the treaties.²¹

Year of Adoption



Treaty Body



Number of State Parties



China's Ratification Status



signatory

In force

/

21. United Nations, "The Core International Human Rights Instruments and their monitoring bodies" <https://www.unhcr.org/en/core-international-human-rights-instruments-and-their-monitoring-bodies>

Name of the Convention

182	International Convention on the Elimination of All Forms of Racial Discrimination	1965	CERD
173	International Covenant on Civil and Political Rights	1966	CCPR
171	International Covenant on Economic, Social, and Cultural Rights	1966	CESCR
189	Convention on the Elimination of All Forms of Discrimination against Women	1979	CEDAW
173	Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	1984	CAT
196	Convention on the Rights of the Child	1989	CRC
57	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	1990	CMW
68	International Convention for the Protection of All Persons from Enforced Disappearance	2006	CED
185	Convention on the Rights of Persons with Disabilities	2006	CRPD
26	Optional Protocol to the Covenant on Economic, Social and Cultural Rights	2008	CESCR
116	Optional Protocol to the International Covenant on Civil and Political Rights	1966	CCPR
90	Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty	1989	CCPR
114	Optional Protocol to the Convention on the Elimination of Discrimination against Women	1999	CEDAW
172	Optional protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict	2000	CRC
177	Optional protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography	2000	CRC
48	Optional Protocol to the Convention on the Rights of the Child on a communications procedure	2011	CRC
92	Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	2002	SPT
100	Optional Protocol to the Convention on the Rights of Persons with Disabilities	2006	CRPD

Data as of July 8, 2022

or country-specific perspective. They are non-paid and elected for three-year mandates that can be re-conducted for another three years. As of October 2021, there were 45 thematic and 13 country mandates.²³ Their work methods include acting on human rights concerns in individual cases or on more general issues through direct communications with Governments. They undertake fact-finding missions to countries, and issue reports with recommendations while preparing thematic studies that provide information on the situation. In addition, they clarify relevant norms and standards, guide their implementation, and raise public awareness through various promotional activities on issues within their mandates. As a Charter-based mechanism of protection of human rights, special procedures, unlike the treaty bodies, can be activated even if a State has not ratified any relevant instrument or treaty, and it is unnecessary to have exhausted domestic remedies to access the special procedures.²⁴



The Working Group on the issue of human rights and transnational corporations and other business enterprises is one of the 45 thematic mandates. The Working Group is mandated to promote, disseminate, and implement the United Nations Guiding Principles on Business and Human Rights. The group is also mandated to exchange and promote good practices and lessons learned on implementing the Guiding Principles and to assess and make recommendations thereon.²⁵

The Universal Periodic Review (UPR) is a unique process that involves reviewing the human rights records of all UN Member States. The UPR is a State-driven process under the auspices of the Human Rights Council, which allows each State to declare what actions they have taken to improve the human rights situations in their countries and fulfill their human rights obligations.²⁶ The documents on which the reviews are based are: 1) information provided by the State under review, which can take the form of a "national report"; 2) information contained in the reports of independent human rights experts and groups, known as the Special Procedures, human rights treaty bodies, and other UN entities; 3) information from other stakeholders including national human rights institutions and non-governmental organisations.²⁷

In the Universal Periodic Review of 2019, some countries suggested China take further measures on business and human rights measures to ensure companies operating beyond China's borders obey international human rights standards. BRI is indirectly referred to in the comments because it is "operating beyond China's borders" (28.135), and a great amount of BRI investment is "operating in high-risk or conflict areas" (28.133), including those in the infrastructure industry.

²³ United Nations, "About special procedures", see <https://www.ohchr.org/en/special-procedures-human-rights-council>.

²⁴ United Nations, "The United Nations Human Rights Treaty System", see <https://www.ohchr.org/sites/default/files/Documents/Publications/FactSheet30Rev1.pdf>.

²⁵ United Nations, "Working Group on Business and Human Rights", see <https://www.ohchr.org/en/special-procedures/wg-business>.

²⁶ United Nations, "Universal Periodic Review", see <https://www.ohchr.org/en/hr-bodies/upr/upr-main>.

²⁷ United Nations, "Basic facts about the UPR", see <https://www.ohchr.org/en/hr-bodies/upr/basic-facts>.



An Extract from Report of the Working Group on the Universal Periodic Review 2019 - China²⁸

28. The following recommendations will be examined by China, which will provide responses in due time, but no later than the fortieth session of the Human Rights Council:

28.132 Strengthen efforts, in accordance with the International Covenant on Economic, Social and Cultural Rights and the Guiding Principles on Business and Human Rights, to reduce the adverse environmental effects of industrialization including air pollution (Republic of Korea);

28.133 Take further measures on business and human rights in line with its international obligations and ensure that companies operating in high-risk or conflict areas conduct human rights due diligence in line with the Guiding Principles on Business and Human Rights (State of Palestine);

28.134 Establish a regulatory framework to assess the human rights and environmental impacts of corporations headquartered in China so as to promote and respect human rights, in follow-up to the recommendations contained in paragraphs 186.185, 186.193, 186.224 and 186.251 of the report of the Working Group, accepted during the second cycle (Haiti);

28.135 Continue extending Chinese laws, regulations and standards such as the Guiding Principles on Business and Human rights to Chinese companies operating beyond China's borders (Kenya).

28 United Nations, A/HRC/40/6, "Report of the Working Group on the Universal Periodic Review - China", see <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G18/446/59/PDF/G1844659.pdf?OpenElement>.

1.3 International Labour Standards

1.3.1 ILO & Its Governance

Labour rights are human rights and closely related to business. The ILO pioneered human rights through standard-setting, even earlier than the birth of the United Nations. Since the ILO was created in 1919, its international labour standards have sought to set forth the aspirations, values, and rights that were eventually expressed in the United Nations Charter (1945) and proclaimed in the Universal Declaration of Human Rights (1948).²⁹

The International Labour Organization (ILO) is the only tripartite UN agency. Since 1919, the ILO has brought

together governments, employers and workers of 187 Member States to set labour standards, develop policies and devise programmes promoting decent work for both women and men.³⁰

The ILO accomplishes its work through three main bodies which comprise governments', employers' and workers' representatives.³¹

1.3.2 Conventions and Recommendations

International Labour Standards (ILS) are legal instruments drawn up by the ILO's constituents (governments, employers' and workers' organizations) and set out basic principles and rights at work. They are either Conventions (or Protocols), which are legally binding international treaties that may be ratified by member states, or Recommendations, which serve as non-binding guidelines. In many cases, a Convention lays down the basic principles to be implemented

by ratifying countries, while a related Recommendation supplements the Convention by providing more detailed guidelines on how it could be applied. Recommendations can also be not linked to a Convention.³² Existing internationally recognized frameworks on responsible business conduct that are reviewed further in the document are built on the ILS.

When a country ratifies a Convention,

29 ILO, "International labour standards and human rights", see https://www.ilo.org/global/standards/WCMS_839267/lang--en/index.htm.

30 ILO, "About the ILO", see <https://www.ilo.org/global/about-the-ilo/lang--en/index.htm>.

31 ILO, "How the ILO works" - "Main Bodies", see <https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/lang--en/index.htm>.

32 ILO, "Conventions and Recommendations", see <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

it is obligated to integrate the provisions of that Convention into its national law. As a result, companies regulated by that country are subject to the national laws and regulations that implement the ILS. When the national law provides poor standards or weaker implementation, the ILS can guide companies.

Several collective agreements and global framework agreements include provisions based on the ILS. By having provisions based on the ILS in collective and international framework agreements, companies can demonstrate their commitment to promoting decent work and protecting workers' rights. They can help to create a positive impact in their supply chains and the communities in which they operate.

1.3.3 Fundamental Instruments

The ILO Governing Body has identified 11 fundamental instruments, including 10 Conventions and a Protocol to the Forced Labor Convention. The instruments' topics include those considered to be five basic principles and rights at work, which are also covered by the ILO Declaration on Fundamental Principles and Rights at Work (1998).³³ The five fundamental principles and rights at work are all extremely important when considering labor rights protection in the infrastructure industry of the BRI.



³³ ILO, "Conventions and Recommendations" - "Fundamental Conventions", see <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>. ILO, "Fundamental Principles and Rights at Work Branch", see <https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/departments-and-offices/governance/fprw/lang--en/index.htm>.

The 11 Fundamental Instruments³⁴

87	Freedom of Association and Protection of the Right to Organise Convention	1948 /
98	Right to Organise and Collective Bargaining Convention	1949 /
29	Forced Labour Convention	1930 2022
P29	Protocol of 2014 to the Forced Labour Convention, 1930	2014 /
105	Abolition of Forced Labour Convention	1957 2022
138	Minimum Age Convention	1973 1999
182	Worst Forms of Child Labour Convention	1999 2002
100	Equal Remuneration Convention	1951 1990
111	Discrimination (Employment and Occupation) Convention	1958 2005
155	Occupational Safety and Health Convention	1981 2006
187	Promotional Framework for Occupational Safety and Health Convention	2006 /



Data as of August 31, 2023

34 ILO, "Ratification by Convention", see <https://www.ilo.org/dyn/normlex/en/f?p=1000:12001::NO%20NO::>.

35 ILO, "Ratifications for China", see https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103404.

1.4 International Labour and Human Rights Standards For Business

1.4.1 The Guiding Principles on Business and Human Rights

In 2011, the United Nations Human Rights Council unanimously endorsed the UNGPs (**United Nations Guiding Principles on Business and Human Rights**), a set of guidelines for States and companies to prevent and address human rights abuses committed in business operations. The UNGPs were developed by then-Special Representative of the UN Secretary-General, Professor John Ruggie, following three years of research and worldwide consultations with businesses, civil society, governments, and victims of corporate human rights abuses.³⁶

The UNGPs are built on three pillars:

State	Existing responsibility of states to respect, preserve, and realize human rights and fundamental freedoms.
Business	The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights.
Remedy	The need for rights and obligations to be matched to appropriate and effective remedies when breached.

The state's and companies' joint responsibility is to provide access to an effective remedy. If a company does not provide proper remediation, the State must take measures to ensure that those affected have access to an effective remedy.

³⁶ The UN Working Group on Business and Human Rights, "The UN Guiding Principles on Business and Human Rights - An Introduction", see https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf

The UNGPs apply to all business enterprises, including infrastructure companies, both transnational and others, regardless of their size, sector, location, ownership and structure.³⁷ To meet the responsibility to respect, business enterprises must have the necessary policies and processes in place. The UNGPs identify three components of this responsibility:³⁸

Human Rights Policy	Companies must institute a policy commitment to meet the responsibility to respect human rights.
Human Rights Due Diligence	Companies must undertake ongoing human rights due diligence to identify, prevent, mitigate and account for their human rights impacts.
Remedy	Companies must have processes in place to enable remediation for any adverse human rights impacts they cause or contribute to.

The UNGPs have contributed to significant progress towards promoting respect for human rights in a business context. The UNGPs have clearly articulated the different but complementary roles of States and businesses in preventing and addressing business-related human rights impacts, reminded the States of their human rights obligations as they relate to business, and clarified the responsibility of businesses themselves to respect human rights, even when States may not live up to their own duties. Even though some infrastructure companies of the BRI operate in conflict regions or countries where local law is inadequate, they are still responsible for respecting human rights and complying with international human rights standards. By positioning the need for greater access to effective remedies for victims of business-related harms as a core pillar, the UNGPs have also helped shift the focus from

corporate philanthropy to accountability as an essential feature of responsible business.³⁹ Corporate philanthropy, such as donating sanitation supplies and constructing hospitals, is quite prevalent among BRI infrastructure companies. However, philanthropy is not enough, and companies should put more emphasis on accountability.

Over the past decade, many companies have publicly committed to the UNGPs and their human rights policies.

³⁷ UNGPs, p.1, see https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf.

³⁸ The UN Working Group on Business and Human Rights, "The UN Guiding Principles on Business and Human Rights - An Introduction", see https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro_Guiding_PrinciplesBusinessHR.pdf.

³⁹ "Guiding Principles on Business and Human Rights at 10: Taking Stock of the First Decade", Executive summary, see <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/UNGPs10/Stocktaking-reader-friendly.pdf>.

Case 1.2 An Extract from a Chinese Infrastructure Company's Human Rights Policy⁴⁰

This Policy is guided by international human rights principles encompassed by the **Universal Declaration of Human Rights**, including those contained within the **International Bill of Human Rights** and the **International Labour Organisation's 1998 Declaration on Fundamental Principles and Rights at Work**. In addition, the Group also respects the international human rights principles under the **United Nations Guiding Principles on Business and Human Rights**.

Case 1.3 An Extract from a Swiss Digital Technology's Commitment⁴¹

The UN Guiding Principles are central to our human rights training. A global awareness-raising program for senior managers focuses on understanding how the company can potentially impact human rights, the importance of due diligence and how the company is embedding human rights in business processes, and a global capacity building program is also under way to create a network of specialists in key countries.

The UNGPs are based on the international labour standards and principles of the Declaration on Fundamental Principles and Rights at Work regarding labour provisions. The UNGPs' Principle 12 directly refers to the ILO Declaration on Fundamental Principles and Rights at Work.⁴²



UNGP Principle 12

The responsibility of business enterprises to respect human rights refers to internationally recognized human rights - understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the **International Labour Organization's Declaration on Fundamental Principles and Rights at Work**.

40 https://www.cki.com.hk/english/PDF_file/sustainability/sustainability_policy/human_rights_policy.pdf

41 <https://new.abb.com/sustainability/society/human-rights>

42 UNGPs, principle 12, see https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf.



1.4.2 The ILO Instruments

The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) is the only ILO instrument that provides direct guidance to enterprises (multinational and national) on social policy and inclusive, responsible and sustainable workplace practices.⁴³

The Declaration on Fundamental Principles and Rights at Work and the MNE Declaration together form the essentials for realizing the objective of decent work for all.

Case 1.4 An Extract from a French Construction Company's CSR Charter for Suppliers and Subcontractors⁴⁴

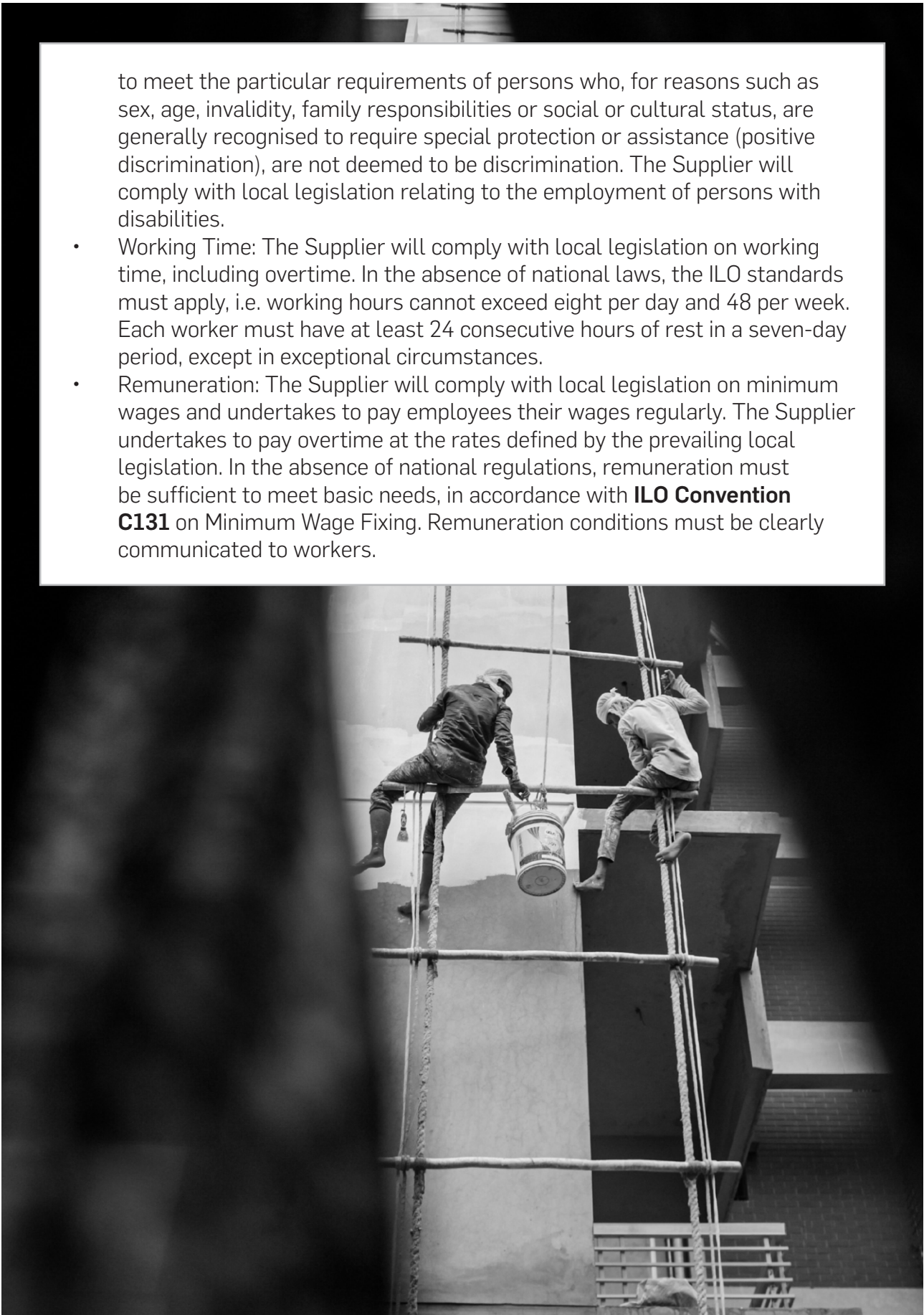
- Freedom of association and the right to collective bargaining: The Supplier undertakes to comply with the principles of **ILO Convention C87**, namely the freedom of association, the protection of trade-union rights and the right to collective bargaining, in accordance with local legislation.
- Use of forced or compulsory labour: The Supplier undertakes not to use forced or compulsory labour as defined in **ILO Conventions C29 and C105**. ILO Convention C29 defines forced or compulsory labour as all work or service which is exacted from any person under the menace of any sanction and for which the said person has not offered himself voluntarily. It is strictly forbidden to withhold, as a condition of employment, any identity documents, passports, training certificates, work permits or any other form of identification. Likewise, workers have no obligation to pay deposits or financial guarantees. All recruitment costs (passport, visa, insurance, travel, medical examination costs, etc.) must be covered by the employer and not the employee.
- Child Labour: The Supplier undertakes to apply rules relating to the elimination of child labour and the protection of children as defined by ILO conventions. In particular, it undertakes not to employ persons who have not attained the minimum working age in accordance with **ILO Conventions C138 and C182**.
- Discrimination: Under the conditions set forth in **ILO Convention C111**, the Supplier undertakes not to operate any distinction, exclusion or preference on the basis of race, colour, sex, religion, political opinion, national extraction or social origin which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation. In accordance with ILO Convention C111, distinctions, exclusions or preferences based on the inherent requirements for a particular job, and special measures designed

⁴³ ILO, "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)", see <https://www.ilo.org/empent/areas/mne-declaration/lang--en/index.htm>.

⁴⁴ Bouygues, "CSR Charter for Suppliers and Subcontractors", see https://www.bouygues.com/wp-content/uploads/2022/05/2022-charte_rse_ang_bat.pdf.

to meet the particular requirements of persons who, for reasons such as sex, age, invalidity, family responsibilities or social or cultural status, are generally recognised to require special protection or assistance (positive discrimination), are not deemed to be discrimination. The Supplier will comply with local legislation relating to the employment of persons with disabilities.

- **Working Time:** The Supplier will comply with local legislation on working time, including overtime. In the absence of national laws, the ILO standards must apply, i.e. working hours cannot exceed eight per day and 48 per week. Each worker must have at least 24 consecutive hours of rest in a seven-day period, except in exceptional circumstances.
- **Remuneration:** The Supplier will comply with local legislation on minimum wages and undertakes to pay employees their wages regularly. The Supplier undertakes to pay overtime at the rates defined by the prevailing local legislation. In the absence of national regulations, remuneration must be sufficient to meet basic needs, in accordance with **ILO Convention C131** on Minimum Wage Fixing. Remuneration conditions must be clearly communicated to workers.



1.4.3 WEPs, Children's Rights and Business Principles (CRBP) and PRI

With the universalization of the idea that business can impact human rights and should respect human rights, business and human rights principles covering specific

groups of people and sectors are developed or supported by different UN agencies and the UN Global Compact.⁴⁵

The Women's Empowerment Principles (WEPs)

WEPs are a set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace, and community. Established by the UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment. By joining the WEPs community, the CEO signals commitment to this agenda at the highest levels of the company and to work collaboratively in multi-stakeholders networks to foster business practices that empower women. The seven principles are:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work –respect and support human rights and non-discrimination.
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training, and professional development for women.
5. Implement enterprise development, supply chain, and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.



⁴⁵ WEPs, "About", see <https://www.weps.org/about>; UNICEF, "Children's Rights and Business Principles", see <https://www.unicef.org/documents/childrens-rights-and-business-principles>; PRI, "What are the Principles for Responsible Investment?" see <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>



Children's Rights and Business Principles

The Principles are developed by UNICEF, the UN Global Compact, and Save the Children. It is the first comprehensive set of principles to guide companies on the full range of actions they can take in the workplace, marketplace, and community to respect and support children's rights. Based on existing standards, initiatives, and best practices related to business and children, these Principles seek to define the scope of both government and corporate responsibility towards children. Covering a wide range of critical issues - from child labour to marketing and advertising practices to the role of business in aiding children affected by emergencies - the Principles call on companies everywhere to respect children's rights through their core business actions, but also through policy commitments, due diligence and remediation measures.

According to John Ruggie: "The Children's Rights and Business Principles are an important effort to explore the implications of the UNGPs for the human rights of children. Children are among the most marginalised and vulnerable members of society and can be disproportionately, severely, and permanently impacted by business activities, operations, and relationships"⁴⁶

The ten principles are:

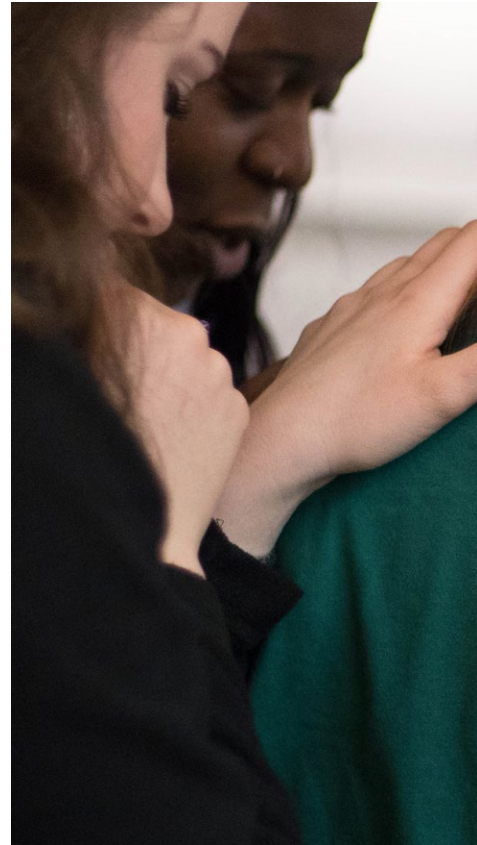
- Meet their responsibility to respect children's rights and commit to supporting the human rights of children.
- Contribute to the elimination of child labour, including in all business activities and business relationships.
- Provide decent work for young workers, parents, and caregivers.
- Ensure the protection and safety of children in all business activities and facilities.
- Ensure that products and services are safe and seek to support children's rights through them.
- Use marketing and advertising that respect and support children's rights.
- Respect and support children's rights in relation to the environment and to land acquisition and use.
- Respect and support children's rights in security arrangements.
- Help protect children affected by emergencies.
- Reinforce community and government efforts to protect and fulfill children's rights.

⁴⁶ https://sites.unicef.org/csr/files/FINAL_Investor_Guidance_UNICEF_Sustainalytics.pdf

The Principles for Responsible Investment (PRI)

The PRI offers a menu of possible actions for incorporating ESG issues into investment practice. The Principles were developed by investors and for investors. In implementing them, signatories contribute to developing a more sustainable global financial system, i.e. a financing institution that considers about an infrastructure company's human rights performance before investing. Signatories promise that:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles."





1.4.4 OECD Standards

The OECD is an international organisation, which now has 38 member countries and five Key Partners, including China. OECD countries and Key Partners represent about 80 per cent of world trade and investment. It has developed standards and guidance on business and human rights. Those standards and guidance have gained recognition by a great number of companies and are referenced alongside UN standards on some formal occasions.⁴⁷

The OECD has developed both generally applicable and sectoral guidance, which can be used for reference by the infrastructure sector and investors.⁴⁸

⁴⁷ OECD, "Our global reach", see <https://www.oecd.org/about/members-and-partners/>

⁴⁸ OECD, "OECD Due Diligence Guidance for Responsible Business Conduct", see <https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>.

- OECD Guidelines for Multinational Enterprises⁴⁹
- OECD Due Diligence Guidance for Responsible Business Conduct
- Due Diligence for Responsible Corporate Lending and Securities Underwriting
- Responsible Business Conduct for Institutional Investors
- OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Case 1.5 An Extract from an Italian Financial Institution's Human Rights Commitment (PRI)⁵⁰

The company's Human Rights Commitment is inspired by the generally accepted international declarations and conventions, standards, principles, guidelines, and recommendations, including:

- The Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social, and Cultural Rights
- International Labour Organization's (ILO) Fundamental Human Rights Conventions (convention 29, 87, 98, 100, 105, 111, 138 and 182)
- The Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework
- The OECD Guidelines for Multinational Enterprises (2011 edition)
- The UN Global Compact Principles
- **UN Principles for Responsible Investment (UN PRI)**
- International Finance Corporation (IFC) Performance Standards
- World Bank Group Environmental, Health and Safety (EHS) Guidelines
- The United Nations Environment Programme Finance Initiative (UNEP FI) Statement of Commitment by Financial Institutions on Sustainable Development
- Equator Principles (EP)
- **Women's Empowerment Principles**
- Practical Actions for Companies to Identify and Address the Worst Forms of Child Labour in Mineral Supply Chains.

49 The Guidelines are different in nature from other OECD documents listed here. They include a governmental consensus on responsible business conduct and provide for establishment of national contact points in adhering governments.

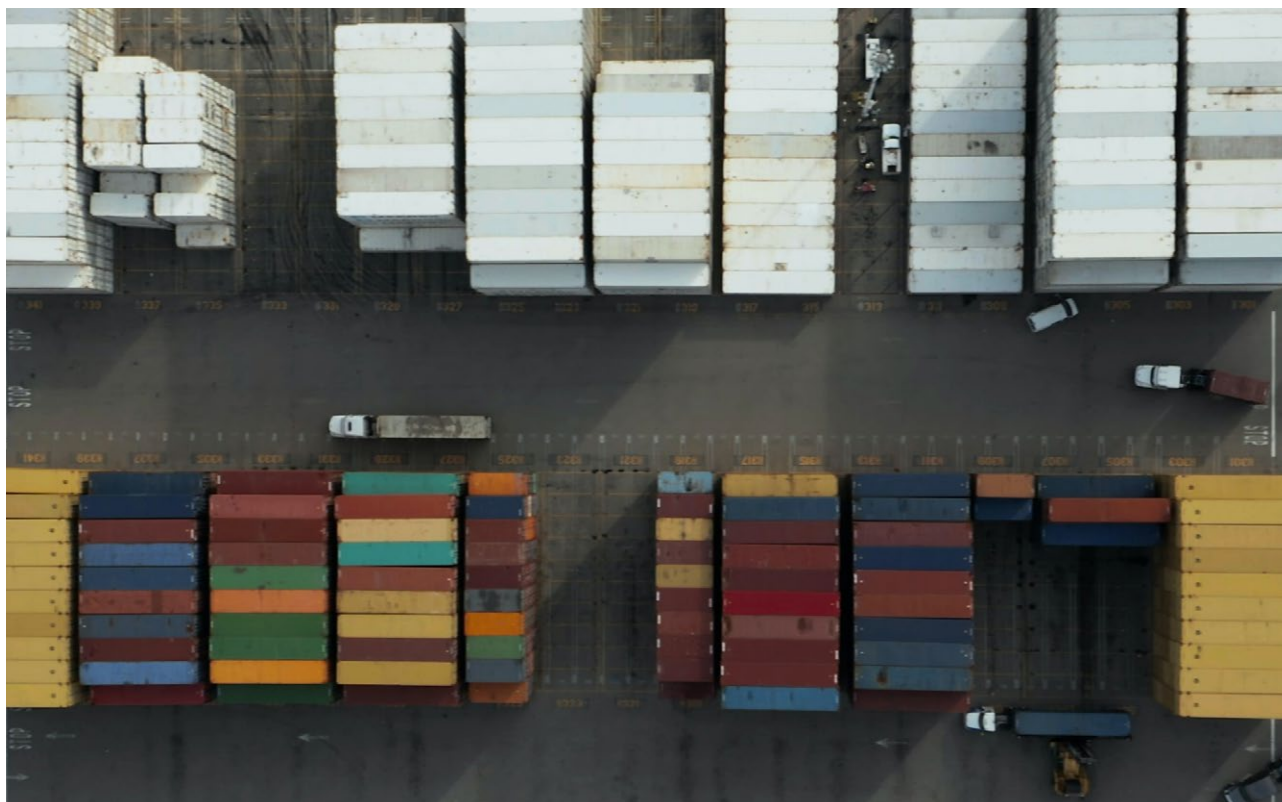
50 UniCredit, "Human Rights Commitment", p2, see https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/sustainability/our-vision-of-a-sustainable-bank/policies-and-guidelines/Human-Rights-Commitment_vers.1.pdf.

Case 1.6 A Georgian Construction Company's Practice on WEPs⁵¹

A Georgian construction company developed a WEPs Action Plan to increase the percentage of women in senior management from 20 percent to 50 percent. Of the top 10 managerial positions, five are occupied by women. During the development of the WEPs Action Plan, only 20 percent of construction site managers were women. Currently, women are the majority of site managers in residential complexes – a position that previously was considered a "job for men."

Case 1.7 An Extract from a Japanese Electric Company' Supply Chain Management⁵²

We aim for transparency in our procurement supply chain to avoid any affiliation with armed groups that trade in conflict minerals as their source of funding. We also recognize the possibilities of human rights violations occurring in the severe labor conditions in cobalt mining sites as a major problem. The Group adheres to the **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**, and removes certain minerals from the procurement supply chain in situations where their procurement encourages or contributes to serious human rights violations or environmental destruction.



51 WEPs BROCHURE (March 2022), p29, [https://www.weps.org/sites/default/files/2022-03/WEPs%20BROCHURE%20\(March%202022\).pdf](https://www.weps.org/sites/default/files/2022-03/WEPs%20BROCHURE%20(March%202022).pdf)

52 Mitsubishi Electric, "Supply Chain Management (Procurement)", see <https://www.mitsubishielectric.com/en/sustainability/social/supplychain/index.html>.

2

GC Principle 1-Responsibility to Respect

UNGC Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.

2.1 The Principle's Meaning

While governments have the primary duty to protect, respect, and fulfill human rights, companies have an important complementary role to play. All businesses worldwide must respect human rights regardless of their size or sector and whether they participate in the UN Global Compact.

The Principle set out the UN Global Compact's overarching human rights expectations for business, which are to respect and support human rights. Respecting human rights means that businesses should exercise due diligence to avoid human rights abuses ("do no harm") and should address adverse human rights impacts they are involved in. In addition to respecting human rights, businesses are encouraged to take action in support of human rights. This means that businesses can take voluntary action to make a positive contribution to the protection and fulfilment of human rights. Businesses should pay particular attention to the rights of vulnerable groups, including women, children, people with disabilities, indigenous people, migrant workers, older people, etc.⁵³

2.2 Why Is this Principle Important to Companies?

Failure to respect human rights poses many risks to the business, including suspension of a company's social license, reputational damage, consumer boycotts, exposure to legal liability, departure of investors, termination of cooperation by business partners, reduced productivity, and employee turnover. For infrastructure companies of the BRI, failure to respect human rights can also cause damage to relations between China and the host state, cause reputational damage to the BRI, and even hurt China's international image.

Respecting and supporting human rights can bring many benefits to companies. For example, workers treated with dignity and respect will likely be more productive and remain loyal to their employers. New employees are increasingly considering a company's human rights record when seeking a job, so a company respecting human rights can be more attractive in the recruitment market than other companies. Business models that respect human rights and are inclusive can also be a source of innovation for new products or services, helping companies enter new markets.⁵⁴

⁵³ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-1>

⁵⁴ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-1>



2.3 Human Rights Policy⁵⁵

2.3.1 What Is a Human Rights Policy?

Human rights policy is a publicly expressed commitment by a company to its responsibility to respect internationally recognized human rights standards. At a minimum, this means the rights set out in the International Bill of Human Rights and the principles concerning fundamental rights set out in the ILO's Declaration on Fundamental Principles and Rights at Work.

Human rights policy may also be called "human rights commitment," "human rights statement," etc.

Case 2.1 An Extract from a British Technology Communications Company's Policy⁵⁶

We took a structured and collaborative approach to develop our Human Rights Policy.

Our Policy is:

- developed in-line with international instruments and standards as well as industry-specific principles
- informed by internal and external expertise
- designed to tackle our most salient impacts
- communicated internally and publicly available
- reviewed periodically to reflect significant changes
- approved and signed by the Group Plc Executive Committee and Group CEO

⁵⁵ https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2Fhuman_rights%2FResources%2FHR_Policy_Guide.pdf

⁵⁶ <https://www.vodafone.com/sustainable-business/operating-responsibly/human-rights/our-policy>

2.3.2 Why Develop a Human Rights Policy?

The reasons for developing a human rights policy include:

- Providing a basis for embedding the responsibility to respect human rights in all business functions;
- Responding to relevant stakeholder expectations;
- Identifying policy gaps and initiating a process that alerts the company to new areas of human rights risk;
- Elaborating on the company's commitment to respect and support human rights;
- Building increased trust with external stakeholders and starting to understand and address their concerns;
- Promote learning, management capacity and leadership on human rights issues internally;
- Demonstrating international good business practice.

2.3.3 Key Steps - The Process Behind the Policy

Developing a human rights policy is a dynamic and progressive process. Many companies update their policies as they gain experience identifying and addressing human rights impacts.

To formulate its own human rights policy, an infrastructure company shall:

- Assign senior management responsibility for driving the process
- Engage people from different departments (HR, legal, procurement, security, etc.) in the process to build understanding, share knowledge and establish common goals
- Identify and leverage internal and/or external human rights expertise
- Map existing company policies to identify existing human rights policy coverage and gaps
- Conduct a basic mapping of the company's key potential human rights impacts
- Consult internal and external stakeholders to identify and respond to their expectations
- Communicate the human rights policy internally and externally
- Reflect the human rights policy in operational policies and procedures

2.3.4 What Are the Key Components of a Human Rights Policy?

A human rights policy should, at a minimum, comprise:

- An explicit commitment to respect all internationally recognized human rights standards, at least including the International Bill of Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work
- Company's expectations of personnel, business partners, and other relevant parties
- How the company will implement its commitment, i.e., through due diligence
- It may also contain:
 - Steps taken to develop the Policy
 - The company's vital human rights priority areas
 - How the company will deal with conflicts between international human rights principles and host state's legal requirements
- A commitment by the company to "support" (i.e., contribute to the positive realization of) human rights
- Elaboration on the due diligence process can be part of a human rights policy. For example, human rights (including labour rights and others) that the business recognizes as likely to be the most salient for its operations and information on how it will account for its actions to meet its responsibility to respect human rights.



Case 2.2 An Extract from a Chinese ICT Company's Human Rights Commitment ⁵⁷

The company has been a member of, and signatory to the United Nations Global Compact (UNGC) since 2004.

The company has signed up to supporting the 10 guiding principles of the UNGC. It is also a member of the Responsible Business Alliance (RBA), the code of conduct of which supports the United Nations Declaration of Human Rights.

.....

We understand that human rights due diligence is an ongoing process that requires particular attention at certain stages in our business activities, such as when we start new projects or enter new markets.

We operate in more than 170 countries and regions, serving more than three billion people around the world. We are continuing to increase the awareness and knowledge of our employees and workers on human rights matters.

Our employees have the right to enjoy a respectful work environment.

To this end, providing equal opportunities related to work access and promotions is a fundamental principle, ensuring at all times that people will not be discriminated against for their sex, race, age, religion, origin, disabilities, marital status, pregnancy, sexual orientation, or social position. We also undertake to maintain a work environment free of harassment, abuse, intimidation or violence. In addition, around the world many people face particular forms discrimination and disadvantage, lack of access to skills and training, and face barriers to their active participation in the economy.

Diversity is integral to our business. We seek to manage and grow a socially responsible business where everyone can participate on an equal basis.

Our approach includes fair promotion, as well as helping to develop skills and open up opportunities, both in our own operations and our wider partnerships. We prohibit the use of forced, bonded, or indentured labour.

We believe that diversity and economic inclusion are priorities.

We have detailed, equitable regulations that cover each major phase of an employee's relationship with the company, including recruitment, employment, and exit. No incidents of forced labour have ever taken place in our history.

.....

⁵⁷ <https://www.huawei.com/uk/declarations/huawei%20human%20rights%20commitment>



2.3.5 Next Steps - Path to Implementation

Due diligence is a way for companies to implement their human rights policy.

Assess

Assess the company's human rights impacts and risk areas, including country analyses, new operation assessments and stakeholder consultation.



Integrate

Integrate human rights throughout the company, including business processes, training, communication, management systems, etc.



Act & Track

Take action and track performance, including by identifying progress measurement indicators.



Communicate

Communicate on how impacts are addressed.



Remediate

Provide for or cooperate in remedying an adverse human rights situation that a company has caused or contributed to through legitimate processes.

Human Rights Due Diligence in The UNGPs

Principle 17: In order to identify, prevent, mitigate, and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:

- (a) Should cover adverse human rights impacts that the business enterprise may **cause or contribute to** through its own activities, or which may be **directly linked to** its operations, products, or services by its business relationships;
- (b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;
- (c) Should be ongoing, recognizing that the human rights risks may change over time as the business enterprise's operations and operating context evolve.

Principle 18: In order to gauge human rights risks, business enterprises should **identify and assess** any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:

- (a) Draw on internal and/or independent external human rights expertise;
- (b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.

Principle 19: In order to prevent and mitigate adverse human rights impacts, business enterprises should **integrate the findings** from their impact assessments across relevant internal functions and processes, and **take appropriate action**.

- (a) Effective integration requires that:
 - (i) Responsibility for addressing such impacts is assigned to the appropriate level and function within the business enterprise;
 - (ii) Internal decision-making, budget allocations, and oversight processes enable effective responses to such impacts.
- (b) Appropriate action will vary according to:
 - (i) Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products, or services by a business relationship;
 - (ii) The extent of its leverage in addressing the adverse impact.

Principle 20: In order to verify whether adverse human rights impacts are being

addressed, business enterprises should **track** the effectiveness of their response. Tracking should:

- (a) Be based on appropriate qualitative and quantitative indicators;
- (b) Draw on feedback from both internal and external sources, including affected stakeholders.

Principle 21: In order to **account for** how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them. In all instances, communications should:

- (a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;
- (b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved
- (c) In turn not pose risks to affected stakeholders, personnel, or to legitimate requirements of commercial confidentiality.





2.4 Human Rights Impact Assessment⁵⁸

⁵⁸ Guide to Human Rights Impact Assessment and Management (HRIAM)

2.4.1 Assess the Human Rights Impacts and Consequences

Identification and assessment of human rights adverse impacts is a precondition of acting. It is strongly recommended that infrastructure companies explore various techniques and engage with specialist human rights practitioners to assess the human rights impacts and consequences. For example, a company can:

- Study past social impact assessments that may yield important information on the human rights impacts of the company's business activities, including its activities and those with its business partners and suppliers. The assessments could be from the host country and other countries where the business has operated.
- Consult employees who have worked in a similar business activity in this country or another.
- Review feedback on how the company failed to mitigate human rights impacts adequately.
- Consult experienced practitioners from appropriate NGOs and community organizations. Local practitioners with significant knowledge about the local area's human rights risks and impacts will be helpful.

Migrant Workers in Large Infrastructure Projects⁵⁹

During the construction phase of large infrastructure projects, the workforce may include many migrant workers due to a lack of skilled or trained local labour. Key issues for the infrastructure sector:

- Migrant workers may be subject to degrading or life-threatening treatment or lack of equal opportunity for promotion, due to discrimination against workers from other cultures or races.
- Discrimination may also exist in terms of working hours, wage rates, adequate training, housing conditions, and access to health care or education.
- Migrant and immigrant workers' travel documents may be withheld by employers as a condition of employment. Even if employers have good intentions (protect documents from being lost or stolen), the practice violates workers' right of freedom of movement.
- Migrant and immigrant workers are also often required to borrow money from labor brokers to pay high recruitment fees and travel expenses, resulting in debt bondage.

⁵⁹ <https://www.unepfi.org/humanrightstoolkit/infrastructure.php>

2.4.2 Define the Scope of the Assessment

While there is no mandatory norm on assessing human rights risks and impacts, there is a general consensus that a human rights-related impact assessment should be carried out against internationally agreed human rights standards.

The Human Rights Impact Assessment and Management Table is based on the International Bill of Human Rights. Companies can assess the impacts of business activities according to this table and prioritize human rights risks according to their own situations.

Human Rights Impact Assessment and Management Table

1

Right to life

7

Right to freedom from incitement to racial, religious, or national hatred

2

Right to liberty and security

8

Right to access to effective remedies

3

Right not to be subjected to slavery, servitude, or forced labour

9

Right to privacy

4

Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment

10

Right to freedom of movement

5

Right to recognition as a person before the law

11

Right to have a nationality

6

Right to equality before the law, equal protection of the law, non-discrimination

12

Rights of minorities

13 Right not to be subjected to imprisonment for inability to fulfill a contract	22 Right to enjoy just and favorable conditions of work
14 Right of protection for the child	23 Right to form and join trade unions and the right to strike
15 Right to own property	24 Right to an adequate standard of living
16 Right to freedom of opinion, information, and expression	25 Right to health
17 Right to freedom of assembly	26 Right to education
18 Right to freedom of association	27 Right to take part in cultural life, benefit from scientific progress, material and moral rights of authors and inventors
19 Right to participate in public life	28 Right to marry and form a family
20 Right to social security, including social insurance	29 Right to freedom of thought, conscience, and religion
21 Right to work	

An infrastructure company needs to define the assessment's scope before assessing the business activity's human rights risks and impacts. The scope of a human rights risks and impact assessment should at least consider the following:

- The fundamental human rights risks associated with the host state.
- Key business relationships, including suppliers, business partners, and recruitment agencies, have human rights risks.
- The human rights risks and impacts relating to the business activity itself;
- The range of stakeholders (potential and actual) that are directly or indirectly, such as children who are usually invisible, affected by the business activity;
- The nature and level of the risks and impacts are at different critical stages of the project's life cycle.

Different companies have their own way of defining the scope of human rights impact assessment. Here is an example of a company categorizing its human rights impacts into three types.

Case 2.3 Example: A Chinese-Invested Eritrean Mining Company's Human Rights Impacts Categorization⁶⁰

The company listed three types of human rights impacts: labor rights and working conditions, human rights related to the local communities and cross-cutting human rights issues.

Labor Rights and Working Conditions

- Forced labor
- Workplace health and safety
- Wages, hours, benefits and leave
- Freedom of association
- Non-discrimination
- Harassment
- Child labor

Human Rights Related to the Local Communities

- Human rights and the environment, with a focus on the human right to water and sanitation
- Community development
- Land management

Cross-Cutting Human Rights Issues

- Security and human rights
- Grievance mechanism

60 Human Rights Impact Assessment of the Bisha Mine in Eritrea https://media.business-humanrights.org/media/documents/files/documents/Nevsun_HRIA_Full_Report_April_2014_.pdf



Note: Bisha Zinc-Copper Mine invested by Zijin⁶¹

Case 2.4 An Extract from an Integrated Logistics Company's Commitment⁶²

In areas where we are at risk of causing, contributing or being linked to adverse impacts on human rights, we have mainstreamed human rights due diligence into key business processes for responsible business practices. There are many aspects of our business that touch on human rights. The following areas of our business touch on human rights:

- Safety: The right to life and the right to the highest attainable standard of health.
- Employee relations: Human rights principles and standards are related to labour, for example freedom of association and collective bargaining, equal treatment, child labour, forced labour, working hours, compensation, privacy, rest and leisure.
- Diversity and inclusion: The right to freedom from discrimination and the right to family life.
- Responsible procurement: Human rights principles and standards related to labour, see examples above.
- Ship recycling: Human rights principles and standards related to labour, in particular the right to life and the right to the highest attainable standard of health.
- Air emissions: The right to the highest attainable standard of health.

61 <https://www.zijinmining.com/global/program-detail-71760.htm>

62 <https://www.maersk.com/news/articles/2019/04/03/human-rights>

2.4.3 Assess the Human Rights Risks and Impacts

When conducting the assessment, companies should consider:

- Unintended impacts: Companies should look for any unintended impacts arising from the business activity, whether positive or negative.
- Long-term impacts: Companies should look beyond the immediate rights to identify the long-term impacts of loss of rights, for example, reduced access to education or continuous regional conflicts.
- Characteristics of the region/location/business activity: Companies should look for evidence of human rights risks in the host state, region, industry sector, or business activity, which may reflect patterns of human rights impact in the company's business activity.

To assess how the business activity is impacting the rights of affected stakeholders, the company should consider:

- The business risks, impacts, and opportunities associated with each relevant human right.
- The source of the risks and impacts: The company should identify the root causes, trigger points, and key actors of the risks and impacts (e.g., the business activity itself, a possible contractor, supplier and/or government involvement, etc.)
- The affected stakeholders are individuals and groups subject to actual or potential business activity-related risks and/or adverse human rights impacts.
- Stage of the business activity's lifecycle: The company should identify key stages during the project's life cycle (e.g., design, construction, operation, decommissioning, closure, etc.) where human rights risks and impacts may have occurred or will likely occur.

Sample: Human Rights Assessment Tool



Human Rights

Right to strike, the ability to organize and join a union



Source of the Risks and Impacts



Affected Stakeholders



Stage of the Project's Lifecycle

2.4.4 Analyze the Assessment Findings

2.4.4.1 Prioritize the Key Human Rights Risks

Prioritization of key human rights risks and impacts shall depend on evidence indicating the level of the risks and impacts.

Where credible evidence is available, a company should find out:

- The number and type of human rights risks and impacts
- The precise nature of the risks and impacts concerning the business activity
- The status of the human rights impacts (i.e., past/ongoing/potential)
- The number of stakeholders affected by the impacts
- The conditions underlying the risks and impacts (e.g., lack of enforcement, oversight, poor training, etc.)

Case 2.5 An Extract from a German Conglomerate's Sustainability Information 2020⁶³

The company believes it is essential to integrate the key risk fields into our **due diligence procedures**. The following assessments have been considered:

- Results of the materiality assessment in the area of human rights from fiscal 2019. The company surveyed 500 stakeholders, including suppliers, customers, NGOs, think tanks, investors, shareholders, government representatives, and employees online;
- The company's experience dealing with critical/controversial projects;
- Expertise supplied by external human rights experts;
- Findings from dialogues with investors, our shareholders, NGOs, and peer groups.

At the end of fiscal 2020, the company introduced a new digital risk due diligence tool (ESG Radar) on the basis of the material risk fields outlined above. The goal of doing this was to help us identify and assess possible environmental and social risks, and the associated human rights and reputational risks, earlier and on an even more comprehensive basis in the case of business decisions made by customers. The tool can be used to check over 60 different risk indicators for individual business activities. Together with external human rights experts, targeted mitigation measures are defined depending on how pronounced the risk profile is and what kind of influence the company has.

2.4.4.2 Disadvantaged and Vulnerable Groups

Suppose disadvantaged and vulnerable individuals, groups, or communities have been identified as significantly negatively impacted by the business activity. In that case, further assessments should be carried out to ensure the company does not exacerbate the existing situation in future policies or practices.

Key questions to address may be:

- What are their overall economic and living conditions compared with the location's general population?
- How does their rate of employment compare with other members of the community?
- Do they have equal access to education and job training schemes in the area?

63. https://assets.new.siemens.com/siemens/assets/api/uuid:d3a32709-674e-4d3f-92a3-8261402fb27d/Siemens-AG-NB-EN.pdf?ste_sid=8685fe6254ca8e6fdd48629ea85da11e#page=51

A High-Level Assessment Checklist Of Infrastructures' Impacts On Children's Rights

- Are children likely to be impacted by infrastructure construction or project development? e.g., through the use of child labour or the worst forms of child labour, through the use of public and private security, impacts on rights to education (access, availability, affordability), impacts on children's health and well-being, e.g., through changes in land use (including resettlement) or increase in traffic flows.
- Does available data indicate that children living in the community/communities local to the infrastructure development will be exposed to particular vulnerabilities:
 - Displacement – migrant, internally displaced persons, refugees
 - Conflict / post-conflict - including the destruction of health/education/social services infrastructure, injury and disability, conscription/demobilization
 - Natural disasters and epidemics (including HIV-AIDs, Ebola) – including the prevalence of orphans and single-headed households as a result

Given children's specific developmental and mental vulnerability, how could impacts on adults, including women, parents, and carers, indirectly impact children? What are the intergenerational implications of this impact?



2.5 Stakeholders' Engagement and Reporting⁶⁴

An Extract from the Commentary to UNGPs' Principle 18

To enable business enterprises to assess their human rights impacts accurately, they should seek to understand the concerns of potentially affected stakeholders by consulting them directly in a manner that takes into account language and other potential barriers to effective engagement. In situations where such consultation is not possible, business enterprises should consider reasonable alternatives such as consulting credible, independent expert resources, including human rights defenders and others from civil society.

A key purpose of engagement with stakeholders is to ensure a complete understanding of how the company's actions and decisions can affect individuals and groups. Therefore, the focus is on stakeholders whose human rights can be negatively impacted.

Consultation and engagement with all

stakeholders, based on relevant project information, help to present a range of perspectives, inform and frame difficult choices, improve project design and confidence in the planned infrastructure, and ensure that people's rights take precedence over other competing interests.⁶⁵

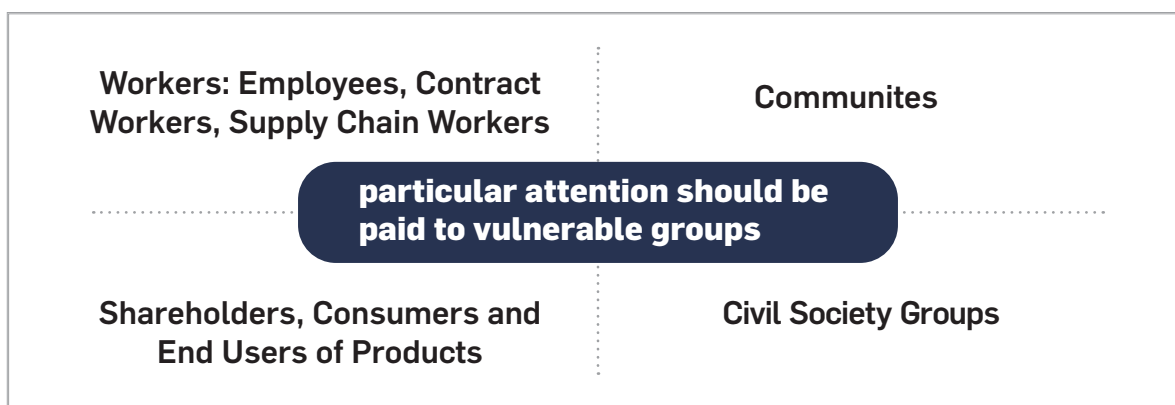


⁶⁴ <https://www.ungpreporting.org/reporting-framework/management-of-salient-human-rights-issues/stakeholder-engagement/>

⁶⁵ https://www.ohchr.org/sites/default/files/Documents/Publications/TheOtherInfrastructureGap_FullLength.pdf p.32.

2.5.1 Stakeholders' Scope

Stakeholders are those individuals or organisations that can affect, or be affected by a company's actions and decisions. To ensure effectiveness, the stakeholder consultation process should extend throughout the life cycle of the infrastructure and identify all potential users, non-user groups directly or indirectly affected, through a comprehensive stakeholder analysis. It is particularly important to include women, persons with disabilities, older persons, children and youth, indigenous peoples, minorities, and other more vulnerable, marginalized, or disadvantaged groups to ensure that the infrastructure meets their needs.⁶⁶



Case 2.6 An Extract from a German Energy Company's Human Rights Policy Statement⁶⁷

Respect for Our Stakeholders

The company knows that its business operations have an impact on the people around it. Part of the company's corporate responsibility as an international energy company is to recognize the role it plays in society. This means the company has to minimize negative effects through its business and to increase the positive influence it can have. This refers to its employees as well as job applicants, but also to, the multitude of business partners in its business and along the supply

chain. Furthermore, the company's commitment on human rights shows respect for the customers it supplies with its products and services, for the communities in which it lives together and last, but not least, for local and national governments with which it seeks an open and transparent relationship. Understanding that the company is not able to secure the protection of human rights only on its own, it also promotes the protection of human rights in relationships with its suppliers, contractors and other business associates.

⁶⁶ https://wedocs.unep.org/bitstream/handle/20.500.11822/34853/GPSI_CH.pdf

⁶⁷ https://www.eon.com/content/dam/eon/eon-com/Documents/en/compliance-and-integrity/documents-guidelines/EON_Human_Rights_Policy_Statement.pdf

2.5.2 Scope of Reporting

Reporting shall be as detailed as possible. It needs to explain to all readers how the company found out and dealt with salient human rights issues with appropriate stakeholder engagement.

A good reporting shall cover:

- The company's views and policies

Reporting can start with the company's view of the role and relevance of engagement with stakeholders to meet its responsibility to respect human rights and policies governing engagement with internal and/or external stakeholders.

- Goals

What goals are set for engagement processes (e.g., to convey information, hear views, work in collaboration, reach agreement, etc.)

- Identify stakeholders

How does the reporting company identify potentially and indirectly impacted stakeholders (e.g., through a mapping process based on internal or external guidance)?

- Starting point of engaging with stakeholders

On what occasions/at what times/how often does the company engage with stakeholders concerning the salient issues, e.g., whether at certain points in a project or business process, regularly (e.g., through an advisory group, management-union dialogue or community dialogue table), in response to legal or other requirements, in response to stakeholder requests.

- Practices' introduction

Elaborate on the company's practices for engaging with stakeholders, especially those whose human rights may be directly affected by the company's activities or business relationships. The introduction may consist of the views and specific inputs of stakeholders, the general rationale for the engagements, the particular purposes of different engagements, the extent to which those purposes were achieved or advanced, and whether the stakeholders are informed of updates. In addition, the company shall specify reasons for a decision not to make changes in response to a significant point of stakeholder feedback related to a salient issue.

- Formal arrangements

Introduce any external processes in which the company takes part that provide a form of stakeholder engagement (e.g., national or international multi-stakeholder initiatives

or local industry–union or industry–community dialogues) and any other permanent arrangements the company has in place at the corporate or operational levels for engaging with stakeholders concerning the salient issues identified (e.g., dialogue tables, stakeholder advisory councils, consultative groups).

List Global Framework Agreements the company has with global union federations or other formal arrangements for engaging with unions representing employees or contract workers concerning salient issues.

- Changes compared with the former reporting

Describe any changes in stakeholder engagement processes within the reporting period (e.g., to include new forms of engagement, new topics for engagement, and new groups with which the company is engaging).

- Internal capacity-building

Introduce training or capacity-building the company provides to help staff engage appropriately and productively with different stakeholders.

- Initiative of stakeholders

Whether and how stakeholders or stakeholder groups, including potentially affected stakeholders or their legitimate representatives, can initiate engagement with the reporting company concerning any or all salient issues.



Case 2.7 An Extract from a Mexican Building Material Company's Public Affairs and Stakeholder Engagement Policy⁶⁸

To Engage with stakeholders, the company will:

- Identify the most relevant business issues (risks or opportunities) related to the external environment and establish an issue agenda (Public Affairs agenda) with a set of objectives for each issue.
- Identify, prioritize and map stakeholders taking into consideration the potential impact on the company's business objectives, their interests and their willingness to engage with the company.
- Analyze stakeholders' interests and expectations through active research and consultation and provide input into the development of an engagement plan that seeks to address both the company and its stakeholders' positions and objectives.
- For each agenda objective and stakeholder, establish an engagement plan that includes a measurable performance target, specific actions, a timeframe and a person responsible.
- Monitor, review and assess our engagement performance against targets and industry best practices to drive continuous improvement and openly report the results achieved. Business unit engagement plan progress tracked on a monthly basis in senior management meetings. Global plan results presented to the ExCo on a quarterly basis. Country Managers present engagement results to the Regional President on a quarterly basis.
- Update the business agenda, priority stakeholders and engagement plans on a yearly basis with input from engagement results and stakeholder feedback. Updated agenda and plans introduced in country strategic business plans. Updated global and country agendas presented yearly to the ExCo and Regional Presidents respectively.
- Provide company business units and operating sites with adequate guidance, training and tools to engage stakeholders effectively.
- Establish global company positions and guide advocacy for the most relevant business and societal issues facing the company.
- Foster strong and ongoing relationships that are supportive of the company's license to operate over the long term.
- Ensure stakeholder engagement practices comply with company policies and procedures and all applicable local laws and regulations.
- Provide stakeholders with an active mechanism for communicating grievances, complaints, or possible conflicts.

⁶⁸ <https://www.cemex.com/documents/20143/160187/CemexStakeholderEngagementPolicy.pdf/59087805-f1f4-5f42-006c-de345b2049d4?t=1495036345674>



2.6 Human Rights Remedy

An effective human rights remedy for a company is a process that a company can use to address human rights impacts related to its operations, products, or services. Elements of a compelling corporate remedy can include the following:

- **Framework:** Companies should have a clear and comprehensive framework for identifying and addressing human rights impacts, including clear policies, procedures, and guidelines.
- **Stakeholder engagement:** Companies should engage with stakeholders to understand the nature and extent of human rights impacts and to identify effective remedy measures.
- **Implementation:** Companies should have a clear process for remedy implementation, including a straightforward and responsible person, time frames, accountability mechanisms, and performance indicators.
- **Track:** Companies should have a mechanism to monitor and evaluate the remedy's effectiveness over time.
- **Communication:** Companies should communicate the remedy measures they have implemented, including the process followed, the results achieved, and the lessons learned. This communication should be open, transparent, and responsive to stakeholders' needs and interests.
- **Continuous improvement:** Companies should continuously improve remedy processes and outcomes from practical experience and stakeholder feedback.

A business and a state remedy are complementary and should be considered part of a broader, multi-stakeholder approach to human rights protection. While business remedies can play a critical role in addressing human rights impacts associated with company operations, state remedies are also crucial in ensuring that companies are held accountable for their human rights impacts and that affected individuals and communities have access to effective remedies and justice.

UNGPs, Principal 29

To make it possible for grievances to be addressed early and remediated directly, business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.

Commentary

Operational-level grievance mechanisms are accessible directly to individuals and communities who a business enterprise may adversely impact. They are typically administered by enterprises, alone or in collaboration with others, including relevant stakeholders. They may also be provided through recourse to a mutually acceptable external expert or body. They do not require those bringing a complaint first to access other means of recourse. They can engage the business enterprise directly in assessing the issues and seeking remediation of any harm.

Operational-level grievance mechanisms perform two key functions regarding the responsibility of business enterprises to respect human rights.

- First, they support the identification of adverse human rights impacts as a part of an enterprise's ongoing human rights due diligence. They provide a channel for those directly impacted by the enterprise's operations to raise concerns when they believe they are being or will be adversely affected. Business enterprises can identify systemic problems and adapt their practices by analyzing trends and complaint patterns.
- Second, these mechanisms allow grievances to be addressed once identified and for adverse impacts to be remediated early and directly by the business enterprise, thereby preventing harm from compounding and grievances from escalating.

Such mechanisms need not require that a complaint or grievance amount to an alleged human rights abuse before it can be raised but specifically aim to identify any legitimate concerns of those who may be adversely impacted. If those concerns are not identified and addressed, they may escalate into more major disputes and human rights abuses over time.

Operational-level grievance mechanisms should reflect specific criteria to ensure their effectiveness in practice (Principle 31). These criteria can be met through many different forms of grievance mechanisms according to the demands of scale, resource, sector, culture, and other parameters.

Operational-level grievance mechanisms can complement wider stakeholder engagement and collective bargaining processes but cannot substitute for either. They should not be used to undermine the role of legitimate trade unions in addressing labor-related disputes nor to preclude access to judicial or other non-judicial grievance mechanisms.



69 https://www.holcim.com/sites/holcim/files/documents/21062021_holcim_sustainability-human-rights-social-policy.pdf

70 https://www.vinci.com/publi/vinci/extract/vinci-2021_duty_vigilance-plan.pdf



3

GC Principe 2-Avoid Complicity

UNGC Principle 2

Businesses should make sure that they are not complicit in human rights abuses.



3.1 What is Complicity?⁷¹

Complicity means being implicated in a human rights abuse that another company, government, individual, or other group is causing.

Complicity is generally made up of two elements:

An act or omission (failure to act) by a company, or individual representing a company, that “helps” **(facilitates, legitimizes, assists, encourages, etc.)** another, in some way, to carry out a human rights abuse, and

The knowledge by the company that its act or omission could provide such help

The risks of complicity in human rights abuses can be particularly high in areas with weak governance and/or where human rights abuse is widespread.

⁷¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-2>

Key Human Rights Risks about Construction Materials as Part of the Infrastructure Supply Chain⁷²

Construction materials, including metal and aggregates, are a major part of the infrastructure supply chain.

Key Risks Related to Human Rights:

- Workplace conditions, including freedom of association/collective bargaining
- Health and safety
- Use of forced and child labour
- Safety of the workforce and local communities
- Threats to livelihoods due to monopolisation of resources (including land and other natural resources on which the local populations depend) and relocation of communities away from traditional means of living
- Loss of income when mines are closed
- Large migrant populations, mainly male, can disrupt social cohesion and can lead to the spread of diseases (eg. HIV/Aids) to the existing population
- Security contractors in conflict areas may be connected to military/paramilitary groups
- Misuse of revenues (corruption) by government officials may reduce local populations' access to services
- Local infrastructure (including sanitation and water supply) may be over-stretched by mine development.

Human Rights Abuse by Host Governments

This covers human rights abuses carried out by or on behalf of the government. The mining and metal company may have ties with the government that controls the region where the mine is situated.

Key issues in the mining and metals sector:

Any benefits derived (directly or indirectly) from abuses committed by the government, may result in the company being considered as complicit in the abuses. Due to the large footprint of mining operations and the importance to national economies of metal and mineral resources, the following situations may arise:

- Governments use forced or bonded labour to extract and realise nationally important resources;
- Violent removal, severe repression or arrest of protestors, and resisting indigenous groups by governments or their agents.

⁷² <https://www.unepfi.org/humanrightstoolkit/infrastructure.php>; <https://www.unepfi.org/humanrightstoolkit/mining.php>

Accusations of Complicity Can Arise in Several Contexts:

Direct Complicity

When a company provides goods or services that it knows will be used to carry out the abuse.

Beneficial Complicity

When a company benefits from human rights abuses even if it did not positively assist or cause them.

Complicity



Silent Complicity

When the company is silent or inactive in the face of systematic or continuous human rights abuse. (This is the most controversial type of complicity and is least likely to result in legal liability)

For example:⁷³

- Companies may attract allegations of complicity in breaches of the right to freedom from torture through the actions of oppressive regimes with whom they have a business relationship. Such relationships might be joint commercial ventures or the engagement of State security forces to protect company installations.
- Companies risk allegations of abusing these rights if they directly make use of slaves, forced, bonded, or involuntary prison labour, or they benefit from the use of such labour by suppliers, subcontractors, and other business partners.

Note: Challenges and opportunities are more remarkable for infrastructure companies which:

- Have significant or sustained interaction with the Government through joint-venture arrangements.
- Provide a significant source of tax revenue. In this way, the company is seen as implicitly supporting the government and becoming a proxy target.

⁷³ https://d306pr3pise04h.cloudfront.net/docs/publications%2FHRT_final_web.pdf

Case 3.1 A French Building Material Company was Charged of Complicity

The company faces allegations of complicity in crimes against humanity because it was involved in supporting and financing armed groups in Syria, including those responsible for crimes against humanity and war crimes, during the Syrian civil war. It is said that the company, has paid up to 13 million euro via its subsidiary to several armed groups including the Islamic State in order to keep its Syrian cement factory running.⁷⁴

Case 3.2 A US Oil and Gas Company was Sued for Human Rights Violations

An oil and gas giant was sued for human rights violations, including sexual assault, battery and wrongful death, committed by Indonesian soldiers. The lawsuit was originally filed in the District Court for the District of Columbia in the U.S. in June 2001.

The company had a plant in Aceh, Indonesia. In 1989, Aceh was officially declared “an area of special military operations”, and Indonesian troops were dispatched to clamp down on the civil unrest. In the late 1990s and early 2000s, violence regularly erupted in the province, causing the company to hire Indonesian soldiers to protect its plant and staff from attacks. It was at this time, the plaintiffs alleged, that the soldiers under contract to the company also conducted sweeping raids, torturing villagers whom they incorrectly accused of being separatists, making the company potentially responsible for any human rights abuses they committed.⁷⁵

In April 2022, the court ruled that the company pay \$288,900.78 in legal fees and expenses to the plaintiff's counsel.⁷⁶

Case 3.3 A Japanese Oil Company Withdrew from a Gas Project in Myanmar⁷⁷

The Japanese company decided to withdraw from a gas project in Myanmar amid criticism that the project is funding Myanmar's military junta.

However, NGOs concerned whether disengagement will be conducted in a responsible manner, urging the company and its partners to responsibly disengage, with transparency and through consultation with local communities and civil society stakeholders.⁷⁸

⁷⁴ <https://www.asso-sherpa.org/charges-confirmed-against-lafarge-complicity-crimes-against-humanity>

⁷⁵ <https://asia.nikkei.com/Spotlight/Society/ExxonMobil-Indonesia-lawsuit-heads-for-trial-after-20-years>

⁷⁶ <https://www.aljazeera.com/economy/2022/4/20/exxonmobil-issued-rare-penalty-in-ongoing-indonesian-rights-case>

⁷⁷ https://www.hd.eneos.co.jp/english/newsrelease/upload_pdf/20220502_01_02_0960492.pdf

⁷⁸ <https://www.justiceformyanmar.org/press-releases/ngos-cautiously-welcome-eneos-withdrawal-from-myanmar-call-for-responsible-disengagement-and-decommissioning-of-yetagan-gas-project>

"Complicity" in UNGPs

The commentary to Principle 17 of the UNGPs notes that:

- "Questions of complicity may arise when a business enterprise contributes to, or is seen as contributing to, adverse human rights impacts caused by other parties. Complicity has both non-legal and legal meanings. As a non-legal matter, business enterprises may be perceived as being "complicit" in the acts of another party where, for example, they are seen to benefit from an abuse committed by that party."
- "Most national jurisdictions prohibit complicity in the commission of a crime, and a number allow for criminal liability of business" as well as allowing civil actions based on a company's contribution to a harm. In the international context, "the weight of international criminal law jurisprudence indicates that the relevant standard for aiding and abetting is knowingly providing practical assistance or encouragement that has a substantial effect on the commission of a crime."

Case 3.4 An Extract from a French Energy Company's Human Rights Commitment⁷⁹

The Group includes in its contracts with its suppliers, contractors and partners a provision requiring the respect by them of the Group's human rights commitments.

The Group requests its primary suppliers and contractors to commit in the same way with their suppliers and contractors involved in the business relationship and to avoid the use of many suppliers which makes the control ineffective.

It does not solicit or knowingly benefits from acts that infringe human rights, committed by third parties with whom it has a business relationship.

It endeavors to verify the integrity and the reputation of its suppliers, contractors and partners.

It is committed to helping its suppliers, contractors and partners improve their practices.

⁷⁹ <https://www.engie.com/sites/default/files/assets/documents/2022-05/Human%20Rights%20Policy%20EN.pdf>

3.2 Dealing with Local Governments⁸⁰

3.2.1 Long-Term Interests of Companies

An overseas infrastructure project usually needs support from the local Government. It is not difficult to realise in peaceful regions. Still, in conflict-affected and post-conflict areas, the company's relations with the local Government may be complicated by the absence of a clearly identifiable Government or one not supported by large sections of the population. Carefully considered government relations may, therefore, be an effective means for a company to:

- Avoid actual or perceived complicity in human rights abuses by Government actors.
- Contribute to successful risk management by reducing the company's risk of becoming a target for community grievances.
- Protect its reputation.
- Foster constructive relations that may translate into a competitive advantage.
- Promote strong governance practices.

⁸⁰ Guidance on Responsible business in conflict-affected and HiGH-Risk aReas: a ResouRce foR companies and investors, see https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FPeace_and_Business%2FGuidance_RB.pdf

Case 3.5 An Extract from a U.S. Energy Company's Practices on Security and Human Rights⁸¹

Since 2016, we have helped train nearly 29,000 security providers on the Voluntary Principles on Security and Human Rights, a multi-stakeholder initiative that focuses on ways to maintain the safety and security of operations while respecting human rights. Using the Voluntary Principles to train on-the-ground security personnel can help reduce human rights risks.

In some instances, host governments require us to engage their security forces. In these cases, we have signed agreements with governments that include expectations for respecting human rights consistent with the Voluntary Principles, as well as compliance with relevant local, U.N. and other security-related frameworks. We have agreements in place in Chad, Colombia, Indonesia, Mozambique and Papua New Guinea.

We developed targeted training modules in 2019 for our personnel in global affiliates where host government security forces are engaged. The training focuses on our expectations for host government security deployment, including identifying the risks of security-related human rights impacts in communities.

81 <https://corporate.exxonmobil.com/Sustainability/Sustainability-Report/Social/Human-Rights#SecurityandHumanRights>

3.2.2 Contribute to Peace Building

Infrastructure companies are encouraged to explore all opportunities for constructive corporate engagement with governments and set good examples in their dealings with Governments to support peace. Engaging with governments on conflict-related issues can be more sensitive for international companies, given concerns that their actions may be considered unwelcome interventions.

Opportunities for engagement may be present during various points of a project cycle and may be related to specific events. Companies may choose to employ any or a combination of these strategies:⁸²

1. Directly engage the Government with their concerns.
2. Seek to address their concerns indirectly by engaging with third parties.
3. Engage in efforts that support governance capacity and support international best practice in resource governance, where possible, through joining initiatives that provide forums for business-government engagement on transparency and accountability.
4. Promoting the "peace dividend" of a political resolution to a conflict for example through local business or multi-stakeholder coalitions, such as Global Compact Local Networks.
5. Drawing on political and material resources from outside the context.
6. Encouraging the development of institutions, and governance mechanisms.
7. Addressing or forestalling the economic, political and social grievances that drive conflicts.
8. Supporting transparent and accountable mechanisms to govern the allocation, transfer and use of water, land and other resources.
9. Encouraging the development and enforcement of effective labour laws, tax codes and other business regulations.
10. Adopting hiring and workplace policies that bridge ethnic or racial divides.

82 Guidance on Responsible Business in Conflict-affected and High-Risk Areas: A Resource for Companies and Investors, see https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FPeace_and_Business%2FGuidance_RB.pdf

3.2.3 Prevent Corruption

Companies are encouraged to develop clear policies and robust management practices to prevent corruption in all forms, including in relationships with Government officials. When operating overseas, companies are encouraged to promote transparency with host Governments and be as transparent as possible with other stakeholders about their relationships with Governments. Lack of transparency may foster the perception of corrupt entanglement with the Government.

Silence toward Government malfeasance may also be a poor communication strategy because the company risks being seen as indifferent and may be targeted by parties in the conflict.

Companies can also bring significant expertise in financial accounting mechanisms. Such expertise can contribute to strengthening accountability mechanisms.⁸³



83 https://d306pr3pise04h.cloudfront.net/docs/issues_doc%2FPeace_and_Business%2FGuidance_RB.pdf

3.3 Tips for Avoiding Complicity

Infrastructure companies should adopt an effective human rights policy and an appropriate human rights due diligence system to avoid complicity. This will help companies prevent or reduce the risk of being involved in human rights violations.

Companies are also recommended to:⁸⁴

- Assess human rights situation in countries where it does or plans to do business so as to identify the risk of involvement in human rights abuses and the company's potential impact on the situation.
- Identify those functions within the firm that are most at risk of becoming linked to human rights abuses, possibly even at the pre-investment/project exploration and planning stage, and where there might be opportunities to advance human rights.
- Conduct a human rights impact assessment consisting of an analysis of the functions of a proposed investment and the possible human rights impacts (intended and unintended) they may have on the community or region; and identify internal 'functional risks' in the post-investment situations. This may involve looking at such functions as purchasing, logistics, Government relations, Human Resources management, health, safety, and environment (HSE), sales and marketing.
- Formulate clear policies that protect the human rights of workers in its direct employment and throughout its supply chain.
- Formulate an explicit policy to ensure that its security arrangements do not contribute to human rights violations. This applies whether it provides its own security, contracts it to others or in the case where security is supplied by the State. If financial or material support is provided to security forces, establish clear safeguards to ensure that these are not then used to violate human rights and make clear in any agreements with security forces that the business will not condone any violation of international human rights laws.
- Respect international guidelines and standards for the use of force (e.g. the UN Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the UN Code of Conduct for Law Enforcement Officials). For example, a Spanish energy company commits in its human rights policy that "in the specific case of relationships established with public or private security forces, we will act in accordance with the recommendations of the Voluntary Principles on Security and Human Rights."⁸⁵
- Establish a monitoring/tracking system to ensure that its human rights policies are being implemented.

84 <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-2>

85 https://www.repsol.com/content/dam/repsol-corporate/en_gb/sostenibilidad/policies/human-rights-and-community-relations-policy.pdf

- Actively engage in open dialogue with stakeholder groups, including civil society organizations.
- Utilize its leverage over the actor committing the abuse. If the company does not have sufficient leverage, try to find a way to increase this leverage (e.g. through capacity building or other incentives or by collaborating with other actors).
- Consider about consequences of ending a business relationship, including the potential adverse human rights impacts of doing so.
- Privately and publicly condemn systematic and continuous human rights abuses.
- Raise awareness within the company of known human rights issues within the company's sphere of influence.

Case 3.6 A French Energy Company's Commitment about New Business Development⁸⁶

Criteria relating to human rights are integrated into the overall preliminary analysis:

- of any new project,
- of any new business relationship,
- for the development of a new activity,
- when setting up in a new country.

These analyses must allow to identify as early as possible the potential impacts related to human rights, as well as the stakeholders concerned, and to establish prevention or mitigation measures for the project management.

A process for monitoring the measures implemented must be in place throughout the activity in question.

Mechanisms for dialogue and consultation with stakeholders are put in place throughout the projects to enable them to express their expectations and their concerns with respect to human rights.

The information and awareness-raising of local project managers on human rights must be subject of particular attention.

A practical sheet in the form of a checklist has been made for the projects. It aims to provide managers with human rights key points to consider in their activities.

A country rating tool is also available for entities and project managers. For countries with a global risk lower to 5 (codified in red or orange), a specific study is conducted and prevention measures are defined. This study and associated prevention measures are incorporated in the investment file.

86 <https://www.engie.com/sites/default/files/assets/documents/2022-05/Human%20Rights%20Policy%20EN.pdf>

Case 3.7 An Extract from a Norwegian Energy Company's Commitment to the Voluntary Principles on Security and Human Rights Initiative⁸⁷

We are an active participant in the Voluntary Principles on Security and Human Rights Initiative and strives to respect and implement these principles in our operations.

Our commitment to the principles is reflected in our policies and procedures for risk assessment, deployment, training and follow-up of private and public security providers in high-risk locations.

We use armed security services in Brazil and Nigeria; human rights training is provided in each case. In addition, such training is provided for unarmed guards and security personnel protecting our operations in Algeria, Angola and Tanzania.

Suggestions For Development Finance Institutions To Avoid Complicity When Investing In Overseas Infrastructure⁸⁸

Development finance institutions are playing a great role in overseas infrastructure. They can easily become accomplices of human rights abuses unless proper human rights due diligence is conducted. There are some things the institutions can do to avoid complicity.

- 1** They must not finance any major infrastructure project without thorough public deliberation. Consultation with the communities directly affected is necessary.
- 2** They should have policies openly committing themselves to respect international human rights law. Where national and international laws set different standards, the higher standard should be adopted.
- 3** They should be subject to human rights due diligence before entry, including a baseline analysis of civil society space and reprisal risks, with clear human rights indicators and triggers for action in response to the evolving human rights situation.
- 4** They should have clear, transparent and enforceable policies and procedures to govern assessments of and responses to risks of intimidation and reprisals.
- 5** They should systematically and continuously collect and publish data on intimidation, coercion and reprisals in connection with their activities.
- 6** They should put in place independent, accessible and effective grievance mechanisms, to ensure that those whose rights are violated receive prompt and fair redress. Accountability and remedy must be core components of investment contracts as well as development policy dialogues and technical assistance.

⁸⁷ <https://www.equinor.com/sustainability/our-approach-to-human-rights#human-rights-cases-and-examples>

⁸⁸ <https://www.ohchr.org/en/opinion-editorial/2017/03/human-rights-trampled-push-build-infrastructure>

Case 3.8 An Extract from a German Financial Institution's Environmental and Social Policy Framework⁸⁹

In addition to compliance with national legislation and the presence of all applicable permits we will look at a number of sector-specific factors including the client's management systems and track record. An important element of our review is the status of certification, notably:

- for palm oil, we require as a minimum, that the client is a member of Roundtable on Sustainable Palm Oil (RSPO). Furthermore we would expect the client's operations to be certified in accordance with RSPO or the client's time-bound commitment to achieve RSPO certification in a reasonable timeframe but not later than 2025;
- for timber, we expect clients to be certified according to the Forest Stewardship Council (FSC) (preferred) or the Programme for the Endorsement of Forest Certification (PEFC);
- for soy we prefer clients to be either certified according to the Roundtable on Responsible Soy Association or to demonstrate commitment to the Basel Criteria for Responsible Soy Production or the Soy Moratorium; and
- for other commodities such as beef or cotton we expect clients to be guided by industry best practices and initiatives such as the Global Roundtable for Sustainable Beef, the Cattle Agreement or the Better Cotton Initiative.



Note: a picture from PRI blog⁹⁰

⁸⁹ <https://www.db.com/files/documents/db-es-policy-framework-english.pdf>

⁹⁰ <https://www.unpri.org/pri-blog/the-case-for-infrastructure-investors-to-go-further-on-human-rights/7001.article>

Case 3.9 Extracts from a Spanish Construction Company's Corporate Due Diligence Protocol Regarding Human Rights ⁹¹

The Protocol is based on the "protect, respect and remedy" pillars of the United Nations Guiding Principles, facilitating the identification, prevention, mitigation, monitoring and remediation of possible adverse effects on human rights and the environment related to the activities of the group (through direct or indirect cause, contribution or association), and defining the processes for handling any complaints or claims raised by anyone affected by the above conduct and/or their legitimate representatives.

Its application encompasses all activities carried out directly by us and our Group companies, those carried out indirectly through its global value chain and business partners with which it maintains established commercial relations.

Cross-Cutting Integration Of Due Diligence

The different Group Companies must integrate the concept of due diligence described in this Protocol into their own policies and management systems, expressly and publicly adopting this Protocol and/or an equivalent standard, specifically addressing the principles and requirements of due diligence in matters of the company's sustainability, together with the processes established for its proper implementation and reviewing this standard annually.

Assessment of Adverse Effects on Human Rights and the Environment

The Group's Companies must adopt the appropriate measures to identify and assess the existing and potential adverse impacts on human rights and the environment arising from their own activities or those of their subsidiaries and from their established business relationships.

The assessment of potential adverse impacts or effects must be carried out based on their severity and likelihood from the point of view of the groups and/or the environment affected, and must rely on an exhaustive documentary review, with the assistance of experts in the field and using information contributed by the stakeholders. The assessment of the adverse impacts or effects should consider not only the Group's employees and business partners, but also local communities, with special focus on those groups that may be potentially more affected, such as children, migrant workers, indigenous groups and any other group that could be considered as vulnerable.

Reviews of potential impacts should be conducted annually on an ad hoc basis when mergers or acquisitions, or operations in a new country, are contemplated. A review should also be conducted if there are significant changes in the operational environment.

Prevention, Mitigation And Management Measures

Depending on the results of the adverse effects assessment, appropriate measures should be taken to prevent or, where prevention is not possible or not

⁹¹ https://www.grupoacs.com/ficheros_editor/File/05_Compliance/Pol%C3%ADticas/21_Protocolo%20corporativo%20DH_ENG.pdf

immediately possible, to mitigate the potential adverse effects identified.

Prevention and mitigation measures will be defined considering human rights, environmental factors and potentially affected groups and their level of severity and likelihood, and must be sufficient to achieve the Protocol's aims, in view of the circumstances of the specific case.

In order to ensure the effectiveness of these measures, those responsible for business and operations will allocate resources and responsibility for prevention and mitigation to appropriate levels and functions within the organisation. Likewise, monitoring mechanisms must be introduced to evaluate the application and effectiveness of the prevention and mitigation measures taken. Both elements must be articulated in the form of corrective-preventive action plans, which must be drawn up in consultation with the relevant stakeholders where appropriate, and include reasonable timeframes for action, and qualitative and quantitative indicators to measure their effectiveness.

Complaint and Remediation Mechanisms

When the assessment shows that adverse impact has already been caused or contributed to, the complaint, remediation, and follow-up mechanisms will be activated to redress the damage according to the following guidelines. The persons in charge will establish claim mechanisms so that potentially affected groups may report or submit complaints on any matter relating to human rights or the environment and thus implement the mechanisms of redress without delay.

Implementation of the Protocol with Business Partners

To ensure optimal compliance with human rights and environmental due diligence standards and minimise the risks of adverse impacts throughout its value chain, the activities set out in this Procedure form part of the requirements and basic principles of the Group's Code of Conduct for Business Partners, which is binding on all its Business Partners regardless of their geographical location or the Group company to which they are contractually related.

Monitoring and Standardisation

The management bodies of the different companies in the Group will report on Human Rights and Environment to the bodies holding the Compliance function, which depend on the different governing bodies of the companies in the Group.

Reporting and Accountability

The Group develops a communication system and an information process outside the Group in relation to the dissemination of this Protocol and the actions carried out for the protection of human rights and the environment in all of its activities. The report responds to the legal requirements established by international law and by States.

The Board of directors of the Group together with the person in charge of implementing the Protocol in the Group Company, under the supervision of the Compliance function, will report publicly (externally) on the response and corrective measures adopted in the event of actual adverse impacts.

4

GC Principle 3-Freedom of Association and Collective Bargaining

UNGC Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4.1 Concepts

4.1.1 Meaning of “Freedom of Association”

Association includes activities of rule formation, administration, and the election of representatives. Freedom of association refers to the right of workers and employers to create and join organisations of their choice freely and without fear of reprisal or interference.⁹² Public authorities should refrain from interfering in matters restricting this right or impeding its lawful exercise. Companies should respect the freedom of association in the workplace by not interfering with an employee's decision to associate, ensuring protection against discrimination based on union membership or activities, and not interfering with the workers' representative's activities. At the same time, they carry out their functions in ways that are not disruptive to regular company operations.⁹³

92 <https://academy.unglobalcompact.org/opencourses/learn/course/4331/play/15583:519/the-freedom-of-association-and-the-effective-recognition-of-the-right-to-collective-bargaining;lp=231ILO C87, art.2>, see <https://www.ilo.org/legacy/english/inwork/cb-policy-guide/freedomofassocandrighttoorganiseno87.pdf>.

93 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FOA_FAQ_EN/lang--en/index.htm

What Is Interference?⁹⁴

Interference is any act designed to promote the establishment of workers' organizations under the domination of employers or employers' organizations or to support workers' organizations by financial or other means, with the object of placing them under the control of employers or their organizations. ILO Convention No.98 concerning the Right to Organize and Collective Bargaining includes protection against anti-union discrimination and interference. Protection from employers' interference includes all stages of the employment relationship, from hiring to termination.



Freedom of association is a fundamental human right proclaimed in the Universal Declaration of Human Rights and enshrined in the ILO Constitution, the ILO Declaration of Philadelphia, and the ILO Declaration on Fundamental Principles and Rights at Work (1998). It enables non-state actors to participate in economic and social policy effectively. This type of participation is also central to democracy and the rule of law. Ensuring that workers and employers have a voice and are properly represented is essential for a country's effective functioning of labor markets and overall governance structures. The right of workers and employers to form and join organisations out of their own will is an integral part of a free and open society.⁹⁵

94 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FOA_FAQ_EN/lang--en/index.htm

95 <https://bhr-navigator.unglobalcompact.org/issues/freedom-of-association/definition-legal-instruments/>

Case 4.1 An Extract from a Danish Power Company's Freedom of Association Policy⁹⁶

Consistent with its commitment to Principle 3 of the United Nations Global Compact, the company commits to respecting employees' rights to freedom of association and collective bargaining without interference and free from discrimination, as established in the Freedom of Association and Protection of the Right to Organise Convention (C.87), and the Right to Organise and Collective Bargaining Convention (C.98). The company will promote these rights in relations with business partners, as described in the company's Code of Conduct. It will seek to prevent or mitigate any adverse impacts on this right by business partners that are directly linked to the company's operations, products, or services.

The company will comply with all applicable laws, regulations and collective bargaining agreements. When local law and regulation set lower standards but do not prohibit applying international standards that exceed local law and regulation, the company will apply the international standard. The company will:

- allow employees to freely elect worker representatives of their choice
- afford facilities to workers' representatives as may be appropriate to enable them to carry out their functions promptly and efficiently, and in such a way that does not impair the efficient operation of the company's facilities
- allow worker representatives to consult with management regarding workplace processes through participation in workers councils and cooperation committees
- recognise worker representatives and engage in good faith collective bargaining processes with them
- allow workers to freely elect their own worker representatives in situations where the right to freedom of association and collective bargaining is restricted under law
- conduct due diligence to identify operations in which the right to freedom of association and collective bargaining may be at risk

This policy will be communicated to personnel by providing them with access to this policy and any related standards, and to other stakeholders by communicating internally and externally on progress in implementing this commitment.

96 <https://www.vestas.com/content/dam/vestas-com/global/en/sustainability/policies/Freedom%20of%20Association%20Policy.pdf>.
coredownload.inline.pdf

To ensure the effective implementation of this policy, the company will:

- develop procedures and guidelines consistent with this policy that are appropriate to local conditions and regulations; and
- ensure that a grievance mechanism such as the the company's Ethics Line is available for receiving and addressing complaints or violations of this policy and is communicated to all relevant stakeholders.

The CEO will be responsible for the effective implementation of this policy across all operations owned or managed by the company.



4.1.2 Meaning of “Collective Bargaining”

The right of workers to bargain freely with their employers is an essential element of freedom of association.⁹⁷

Collective bargaining refers to “all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, for--

- (a) determining working conditions and terms of employment; and/or
- (b) regulating relations between employers and workers; and/or
- (c) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.”⁹⁸

Working conditions and terms of employment could include issues such as wages, hours of work, annual bonus, annual leave, maternity leave, occupational safety and health and other matters. Issues relating to relations between the parties could include matters such as facilities for trade union representatives; procedures for the resolution of disputes; and consultation, cooperation, and information sharing, among others.⁹⁹



What Is Bargaining in Good Faith?¹⁰⁰

The principle of good faith is reflected in the following conduct:

- recognition of representative organizations for purposes of collective bargaining;
- engaging in real and constructive negotiations;
- endeavouring to reach an agreement;
- avoiding unjustified delays in negotiations;
- respecting commitments made;
- implementing collective agreements once concluded.

For overseas Chinese-invested infrastructure companies, collective bargaining with good faith is one of the most important approaches to knowing foreign workers' demands.

97 <https://bhr-navigator.unglobalcompact.org/issues/freedom-of-association/>

98 ILO C154, art.2, see https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID,P12100_LANG_CODE:312299,en:NO.

99 https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/instructionalmaterial/wcms_425004.pdf

100 https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/instructionalmaterial/wcms_425004.pdf

4.2 Key Standards and Implications for Businesses

4.2.1 Key Norms and Standards

Examples of the International Instruments that Affirm and Guarantee the Right of Freedom of Association and Collective Bargaining

Universal Declaration of Human Rights (UDHR) Article 23(4)
 International Covenant on Civil and Political Rights (ICCPR) Article 22
 International Covenant on Economic, Social and Cultural Rights (ICESCR) Article 8
 International Convention on the Protection of the Rights of All Migrant Workers Article 40
 ILO Convention on Freedom of Association and Protection of the Right to Organise, 1948 (No. 87)
 ILO Convention on the Right to Organise and Collective Bargaining, 1949 (No.98)
 ILO Workers' Representatives Convention, 1971 (No. 135)
 ILO Collective Bargaining Convention, 1981 (No. 154)

ILO Conventions on Freedom of Association and Protection of the Right to Organise (No. 87) and on the Right to Organise and Collective Bargaining (No. 98) are among the ten fundamental conventions of the ILO. The ILO international standards concerning these rights and freedoms include the Workers' Representatives Convention (No. 135) and its accompanying Recommendation (No.143); Collective Bargaining Convention (No. 154) and its accompanying Recommendation (No. 163) and others.

International standards concerning social dialogue¹⁰¹ include the Consultation and Co-operation between Employers and Workers at the Level of the Undertaking Recommendation (No.94) and the Communications between Management and Workers within the Undertaking Recommendation (No.129). Moreover, a majority of ILO Conventions and Recommendations include provisions that support social dialogue by requiring consultation with representative employers' and workers' organisations.

101 The ILO defines social dialogue as all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest. It encompasses bipartite or tripartite consultations and negotiations taking place at all levels, see <https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm>%20%20a



4.2.2 Implications for Businesses

Benefits of Association Freedom and Collective Bargaining

Several internal business reasons underpin why companies should support and encourage the realisation of rights to freedom of association and collective bargaining in their operations and in their supply chains.¹⁰²

¹⁰² https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FOA_FAQ_EN/lang--en/index.htm#Q1
<https://bhr-navigator.unglobalcompact.org/issues/freedom-of-association/>

Benefits of association freedom and collective bargaining

Better productivity

Through association and collective bargaining, workers tend to receive a greater share of productivity gains as wages. This can promote cooperation, increase enterprise productivity, and contribute to higher demand in the economy.

Constructive dialogue

Freedom of association and the exercise of collective bargaining provide opportunities for constructive rather than confrontational dialogue. Establishing a genuine dialogue with freely chosen workers' representatives enables workers and employers to better understand each other's problems and find ways to resolve them. The result of engaging in a bargaining process in good faith is that the outcomes of collective negotiations are more likely to be perceived as fair and more equitable than those arrived at through individual bargaining or unilateral contracting.

Employee engagement and staff retention

At the individual company level, respect for the right of workers to organise is important because good industrial relations in the workplace help enhance employee engagement and staff retention.

Sound labour relations

Collective bargaining improves the labour relations climate by providing an institutionalised and agreed way of managing conflict. Collective agreements may include peace clauses during the duration of a collective agreement and set out grievance procedures for addressing grievances. This can provide more stable and sounder labour relations. Collective bargaining can also give legitimacy to the rules regulating labour relations. Where the terms and conditions of work and of employment have been negotiated, they are more likely to be complied with.

Adaptability

Association and collective bargaining enable the parties to tailor a collective agreement governing the employment relationship to their particular industry or enterprise. It also allows parties to address issues that may be specific to their industry or workplace. Parties are known to negotiate agreements that may facilitate the adaptability of the enterprise during a downturn or the introduction of technological and organisational change in a manner that protects workers against risk and delivers the results desired.

Civil freedoms

Freedom of association enables workers and employers to cooperate to protect their economic interests and civil liberties, such as the right to life, security, and personal and collective freedom. As an integral part of democracy, this principle is crucial to realise all other fundamental principles and rights at work.

Adverse Impacts of Restrictions to Freedom of Association and Collective Bargaining:¹⁰³

A lack of respect for freedom of association and the right to collective bargaining can have a serious impact on the functioning of the enterprise.

Workers' Motivation and Loyalty

Workers who are denied certain rights will certainly be less willing to do their work and less committed to their employer than those who enjoy the rights.

Industrial Relations and Productivity

Freedom of association and the right to collective bargaining are important for good industrial relations, and the efficient production of goods and services depends in part on the existence of harmonious industrial relations.

Predictability

Predictability is essential to stable and productive business operations. The denial of basic labour rights can lead to labour conflicts, with subsequent disruptions in production and adverse effects on company performance and its relationship with local communities.

Brand Image

A company's image is one of its most valuable assets, and allegations of fundamental rights violations can cause significant damage. In the case of multinational enterprises with extensive supply chains, infringement by just one business partner can damage brand image and have strong repercussions on profit and stock value.

Shareholders' Concerns

Today, more and more investors are taking social standards into account when deciding which business to invest in. These standards often include the fundamental principles and rights at work, including freedom of association and the right to collective bargaining.

¹⁰³ https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_CB_FAQ_EN/lang--en/index.htm#ENQCB22



4.3 Management Practice Recommendations

Freedom of Association¹⁰⁴

- **No interference:** A company must not interfere with employees' decisions to form associations. Remember that all workers are free to form and/or join a trade union of their choice. A company must not interfere with the activities of workers' representatives when they perform their functions in a manner that does not disrupt regular company operations.
- **No anti-union discrimination:** A company must ensure that company policies, procedures and practices do not discriminate against individuals based on their views on trade unions or their trade union activities.
- **Facilities for representatives:** Workers' representatives should also be provided with facilities to enable them to perform their functions promptly and efficiently, taking into account the size and capabilities of the undertaking concerned.

Case 4.2 An Extract from a Chinese ICT Company's Human Rights and Labour Rights Policy¹⁰⁵

The company recognizes that in many locations where it operates, employees have the right to freely associate or not associate with Third-Party organizations, such as labour organizations, along with the right to bargain or not bargain collectively under local laws. The company respects the rights of workers to associate freely, join or not join labour unions, and seek representation under local laws. The company is further committed to creating an environment of open communication where employees can speak with their managers about their ideas, concerns, or problems and team together to address workplace issues. The company encourages employees to share their ideas, concerns, or suggestions.

¹⁰⁴ https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FOA_FAQ_EN/lang--en/index.htm

¹⁰⁵ https://res-www.zte.com.cn/mediares/zte/Files/PDF/white_book/20200702HumanRightsandLabourRightsPolicy.pdf

Collective bargaining¹⁰⁶

- **Voluntary, free, and good faith:** Collective bargaining should be conducted voluntarily, freely, and in good faith. The parties are free to bargain, and the authorities should not interfere with their decision. The principle of good faith implies that the parties should make every effort to reach an agreement, conduct genuine and constructive negotiations, avoid unjustified delays in negotiations, respect agreements reached and applied in good faith, and allow sufficient time to discuss and resolve collective disputes. Intimidation or threats should not be used in the process of negotiation.
- **Subjects of collective bargaining:** It is up to the parties engaged in collective bargaining to determine the content of their negotiations. Some of the topics of collective bargaining identified by the ILO's Committee on Freedom of Association include: Wages, benefits and allowances, working time, annual leave, selection criteria in case of redundancy, the coverage of collective agreement, and granting of trade union facilities.
- **Right to choose representatives:** Workers can choose their representatives for collective bargaining.
- **Facilities for representatives:** Workers' representatives should be provided with facilities to prepare for negotiations and promote genuine bargaining participation. They should also be provided with the information required for meaningful negotiations, including information that allows them to obtain a true and fair view of the enterprise's performance.
- **Appropriate representatives of the enterprise:** To ensure negotiations are meaningful, they should be conducted with representatives who can make decisions on the matters under negotiation.
- **Dispute settlement mechanism:** Collective agreements should include a mechanism to resolve disputes arising from their interpretation or application and to ensure mutual respect for rights and responsibilities.

106 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_CB_FAQ_EN/lang--en/index.htm

Case 4.3 An Extract from a British Technology Communications Company's Human Rights Policy Statement¹⁰⁷

Freedom of Association, Collective Bargaining, and the Employee's Voice

We recognise the rights of employees to join trade unions and engage in collective bargaining in accordance with local law. We also recognise the importance of employees having a robust channel for raising matters of importance to management. In Europe, we consult with our employees through our European Employee Consultative Council, which meets twice a year and gives employee representatives an opportunity to raise any concerns with our executive management team. Similarly in South Africa, we consult with our employees through the National Consultative Committee. Our Senior Independent Director annually attends meetings with both the European and the South African bodies, and feeds back commentary from them to the our Board as part of our engagement with the “employee voice”, in compliance with the UK Corporate Governance Code.



Note: Can insert a photo of collective bargaining between foreign labourers and Chinese management here. Have not found such a photo yet. This photo comes from Foreign Policy¹⁰⁸

107 <https://www.vodafone.com/content/dam/vodcom/sustainability/pdfs/vodafone-group-human-rights-policy-statement-december-2019.pdf>

108 <https://foreignpolicy.com/2018/08/31/chinese-aid-and-investment-are-good-for-africa/>

What Information Should Be Shared With Workers Representatives For Negotiations And Collective Bargaining?¹⁰⁹



Weak transparency practices lead to weak accountability, which results in lack of remedy for those whose rights are affected.¹¹⁰ The following list provides examples of information that management should share with worker representatives for negotiations and collective bargaining:

- General conditions of employment, including engagement, transfer and termination of employment;
- Job descriptions and the place of particular jobs within the structure of the company;
- Possibilities of training and prospects of advancement;
- General working conditions;
- Occupational safety and health regulations and instructions for the prevention of accidents and occupational diseases;
- Procedures for the examination of grievances as well as the rules and practices governing their operation and the conditions for having recourse to them;
- Personnel welfare services such as medical care, canteens and housing;
- Social security or social assistance schemes;
- Regulations of national social security schemes to which the workers are subject;
- Explanation of decisions which are likely to affect directly or indirectly the situation of workers; and
- Methods of consultation, discussion and co-operation between management and workers.

109 https://www.ilo.org/empent/areas/business-helpdesk/tools-resources/WCMS_DOC_ENT_HLP_CB_FAQ_EN/lang--en/index.htm

110 OHCHR, "Baseline Study on the Human Rights Impacts and Implications of Mega-Infrastructure Investment", <https://www.ohchr.org/sites/default/files/2022-01/Baseline-Study-on-the-Human-Rights-Impacts-and-Implications-of-Mega-Infrastructure-Investment.pdf>.

Case 4.4 A Russian Oil Company's System of Collective Bargaining and Trade Unions¹¹¹

Collective Bargaining

We are committed to principles and standards, established by conventions of the International Labor Organization. The company respects the right of employees to be represented by a trade union organization of their choice, as well as all other basic rights, related to freedom of association, self-organization in trade unions and collective bargaining.

The Company's obligations to its workforce, set forth in the Social Code of the company, are particularized in the course of collective negotiations with trade union organizations and enshrined in agreements between the Company and a trade union association, as well as in corporate regulations. According to these agreements, the Company shall guarantee freedom of collective negotiations in Russia and

- provide an opportunity to representatives of trade union organizations to be engaged in the management activities of Group companies;
- to consider opinions of trade union organizations, as required by the Labor Code of the Russian Federation, the Industry Agreement, the agreement between the employer and the trade union association and collective bargain agreements of Group companies.

Trade Unions

The International Association of Trade Union Organizations of the company (IATUO) is a nonprofit organization that protects labor, occupational, social and economic interests of Group's employees and unites efforts of the workforce to meet operational challenges.

IATUO works with national trade unions in countries where our companies operate, the foreign trade union affiliates functioning as part of national industrial trade unions.

IATUO's Focal Areas:

- Protection of social, economic rights, labor and occupational interests;
- Social partnership;
- Human rights advocacy and control over labor legislation compliance
- Health, safety and environment protection;
- Communication, promotion, analytics;
- Administration
- Global operations

Trade Union Organizations and IATUO act as authorized representatives of employees. Being in regular negotiations and consultations with the Company's management, they represent and communicate opinion of employees on issues, related to their rights and actions taken by the management.

¹¹¹ <https://www.lukoil.com/Sustainability/Ouremployees/Socialpartnership>

Case 4.5 Trade Union Management Practices of a Chinese-invested Enterprise in the Democratic Republic of the Congo (DRC)¹¹²

After establishing the company's labor union, the project company formally launched the "Company-Union-Employee" labor-management relations management model, the core of which is an agreement and two mechanisms. One agreement refers to the labor-management agreement, and two mechanisms refer to the union working and negotiation mechanisms.

1. Sign the labor-management agreement and formulate a local "Manual for Employee Management"

As an extension of the DRC labor law, the labor-management agreement provides comprehensive and detailed information on the management of employee positions, compensation and benefits, labor discipline, strikes, and occupational health. Signing the labor-management agreement enhances the company's legal compliance in managing local employees and improves its management system.

2. Establish a trade union working mechanism and negotiation mechanism, giving full play to trade union functions

Employees' complaints come to the labor union first. After listening to the employees' opinions, the labor union communicates and negotiates with the company on behalf of the employees, reflects the employees' needs, and proposes solutions. The general procedure of the labor union to assist the company's personnel management is that the company proposes personnel management work or makes a decision, listens to the labor union's views, and obtains the union's approval and support before joint implementation. At the same time, the project company collects dues. It provides meeting fees for the labor union to meet its financial needs for activities and provides independent labor union offices and meeting venues for labor union representatives and workers' representatives to carry out union affairs.

The negotiation mechanism is a management method of communication and negotiation between the labor union and the company to form a consensus on matters involving complex labor-management relations, such as the working environment, wages, subsidies and benefits, and major holidays. The issues concerning the rights and interests of the employees are basically resolved through negotiation. The labor-management agreement of the project stipulates that a meeting of the company's labor union shall be held once a quarter to discuss major matters involving the employees' interests, and a special meeting of the labor union may be organized in case of emergency.

3. Protect the Legal Rights and Interests of Workers and Fulfill the Social Responsibility of Chinese Enterprises

At the beginning of 2017, the cobalt price continued to rise, the company successfully achieved the production target in 2016, and the labor union had just been established and

¹¹² Dong Shiyong, Gao Xiang, Yu Mingyan, Li Yi, "Practice and Exploration of Trade Union Management in African Projects of Chinese-invested Enterprises - Take a Mine Project in DRC as an Example", China Metal, vol.10, 2021.

desired to play a role in obtaining workers' support. Against the above background, the labor union put forward a request for a salary increase of 50% to the company. The company's administration and personnel department considered the union's and employees' needs, considering the low salary set at the beginning of the company's recruitment and business development in 2016. It was proposed that the corporation adequately raise the wage standard of local employees while avoiding considerably higher labor costs to secure the stability of the local workforce and incentivize employees to continue working hard. Subsequently, the Administration and Personnel Department promptly communicated with the union representatives and proposed that the salary increase should be further negotiated by holding a meeting and that before and during the consultation at the meeting, the union should not spread the news among employees for any reason, incite or organize employees to carry out negative idleness, strike or other activities that affect the normal production of the company. After obtaining the union's commitment, the two sides launched negotiations. In several consultations, the company patiently explained to the union and workers' representatives the pressure and difficulties faced by the company, such as investment recovery, increase in labor costs, and the continuous construction and development of the second phase, hoping that the union and workers would stand together with the company and realize the gradual increase of income through ongoing profit creation. The company finally got the union to make significant concessions and accept a 15% wage increase.

4.4 Key References and Tools

References

Author	Name	Introduction
UN Global Compact	Principle Three ¹¹³	Introduction of the Principle on the UN Global Compact website.
UN Global Compact	Business and HR navigator - Freedom of Associatio ¹¹⁴	Guiding companies worldwide to better understand and address human rights impacts in their operations and supply chains.
ILO	Helpdesk for Business: (1) Business and Freedom of Association ¹¹⁵ (2) Business and Collective Bargaining ¹¹⁶ (3) Q&A on Business and Mature Industrial Relations ¹¹⁷	The ILO Helpdesk includes a lot of useful and practical information for business. Enterprises can seek assistance on international labour standards on the webpage.

Tools

Author	Name	Introduction
UN Global Compact	E-learning Module ¹¹⁸	The E-learning module was developed by the UN Global Compact and International Labour Organization to help companies understand the UN Global Compact Labour Principles and its related concepts and best practices and share practical steps to take action.

¹¹³ <https://unglobalcompact.org/what-is-gc/mission/principles/principle-3>

¹¹⁴ <https://bhr-navigator.unglobalcompact.org/issues/freedom-of-association/>

¹¹⁵ https://www.ilo.org/empent/areas/business-helpdesk/WCMS_DOC_ENT_HLP_FOA_EN/lang--en/index.htm

¹¹⁶ https://www.ilo.org/empent/areas/business-helpdesk/WCMS_DOC_ENT_HLP_CB_EN/lang--en/index.htm

¹¹⁷ https://www.ilo.org/empent/areas/business-helpdesk/tools-resources/WCMS_DOC_ENT_HLP_CB_FAQ_EN/lang--en/index.htm#Q5

¹¹⁸ https://academy.unglobalcompact.org/opencourses/learn/public/learning_plan/view/231/advancing-decent-work-in-business-through-the-un-global-compact-labour-principleshttps://academy.unglobalcompact.org/learn/lp/231/Advancing%2520decent%2520work%2520in%2520business%2520through%2520the%2520UN%2520Global%2520Compact%2520Labour%2520Principles

Author	Name	Introduction
ILO	Freedom of Association and Development ¹¹⁹	This publication highlights the pivotal role of freedom of association in fostering and maintaining sustainable development. As such, it seeks to provide ideas for governments, trade unions, and employers' organisations on how to work together to achieve real and tangible results for development.
ILO	Collective Bargaining - A Policy Guide ¹²⁰	This policy guide is aimed at public authorities tasked with establishing or improving the effectiveness of policies and institutions that promote collective bargaining. It guides concerning the essential elements of a policy to promote collective bargaining, the process by which such a policy might be formulated, and some considerations for enhancing the inclusiveness of collective bargaining institutions. It can be used in a variety of institutional contexts and national traditions. It supports the development of policies to promote collective bargaining through tripartite social dialogue.
Ethical Trading Initiative	Freedom of Association in Company Supply Chains - A Practical Guide ¹²¹	This ETI guide provides companies with practical help in identifying and understanding the impacts of their operations on the fundamental rights of freedom of association and collective bargaining. It guides many aspects of industrial relations across different regions and cultures.

119 https://www.ilo.org/declaration/info/publications/freedomofassociation/WCMS_160208/lang--en/index.htm

120 https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/instructionalmaterial/wcms_425004.pdf

121 https://www.ethicaltrade.org/sites/default/files/shared_resources/foa_in_company_supply_chains.pdf

		<p>In addition to showing how companies can establish a practical framework for monitoring and protecting these rights, the guide suggests ways to improve the situation of workers in the supply chain by supporting their right to set up and join unions and to negotiate collectively with employers. Taking action on these issues will form an important element of human rights due diligence for many businesses.</p> <p>The guide covers the rights to freedom of association and collective bargaining; what constitutes a Trade Union; the ILO Core Conventions; how companies can drive change in their supply chains, and challenges to freedom of association. And it provides a selection of relevant tools and resources.</p>
Ethical Trading Initiative	FOA & Worker Representation: Company Guidance ¹²²	<p>This guidance provides a five-step roadmap for companies to promote freedom of association and worker representation. The five steps include:</p> <ul style="list-style-type: none"> • Review and refine policy • Identify risk • Develop strategy • Communicate & remediate <p>Act, embed & consolidate</p>
Sedex	Supplier Workbook Chapter 1.3 Freedom of Association & Collective Bargaining ¹²³	<p>This workbook is a guide to help suppliers understand what 'good practice' looks like when considering meeting ETI and other Code requirements and steps of how to meet the requirements. The workbook offers a practical risk-management tool for building controls into business processes.</p>

122 <https://www.ethicaltrade.org/resources/foa-worker-representation-company-guidance>

123 <https://www.sedex.com/wp-content/uploads/2016/09/Sedex-Supplier-Workbook-2014-version-Web.pdf>

5

GC Principle 4-Elimination of Forced and Compulsory Labour

UNGC Principle 4
**Businesses should uphold the elimination of
all forms of forced and compulsory labour.**

5.1 Concepts

Forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.¹²⁴ Even if wages are paid, this does not necessarily indicate that the labour is not forced or compulsory. The employee should be free to leave according to established rules.

Forced labour situations usually have two characteristics:

¹²⁴ ILO, C29, art.2(1), see https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029.

- **A lack of consent to work (a pathway into forced labour)**
- **The threat of punishment (a means of keeping someone in forced labour)**

While legally operating infrastructure companies do not typically engage in this practice, forced labour may be associated with a company because of its business ties to other entities, such as contractors and suppliers. Therefore, all infrastructure companies should be aware of the forms and causes of forced labour and how it may occur.¹²⁵ For example, a U.S. financial institution expects its suppliers to "identify and seek to prevent practices constituting forced labor or human trafficking, including charging illegal or excessive recruitment fees, underpayment of wages, delayed or withheld wages, forced or involuntary overtime exceeding legal limits and the withholding of identity documents."¹²⁶

Forms of Forced labour¹²⁷

- Slavery (i.e., by birth/ descent into "slave" or bonded status).
- Bonded labour or debt bondage. Adults and children are obliged to work in slave-like conditions to pay off their own debts or those of their parents or relatives.
- Child labour in particularly abusive conditions where the child has no choice about whether to work
- Physical abduction or kidnapping.
- Sale of a person into the ownership of another
- Physical confinement (prison or private detention).
- Work or service of prisoners if they are involuntarily employed or placed at the disposal of a private person, company, or association and without supervision by public authorities.
- labour required by the authorities for development purposes, such as assistance in construction, agriculture and other public works.
- Work required to punish opinions or expressions of ideological opposition to an established political, social or economic system.
- Exploitative practices such as forced overtime.
- Employers charging deposits or withholding personal documents.
- Physical or psychological (including sexual violence) violence as a means to keep a person in a situation of forced labour (directly or by threatening workers, family members, or close associates).
- Complete or partial restriction of freedom of movement.

¹²⁵ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

¹²⁶ https://www.citigroup.com/citi/citizen/data/citi_statement_on_human_rights.pdf?ieNocache=129

¹²⁷ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

- Withholding and non-payment of wages (linked to manipulated debt payments, exploitation, and other forms of extortion).
- Deprivation of food, shelter, or other necessities.
- Deception or false promises about terms and type of work.
- Inducing debt (by falsifying accounts, charging inflated prices, reducing the value of the goods or services produced, charging excessive interest, etc.)
- Threatening to denounce workers in an irregular situation to the authorities.

Case 5.1 An Extract from a Chinese ICT Company's Human Rights Commitment¹²⁸

We have detailed, equitable regulations that cover each major phase of an employee's relationship with the company, including recruitment, employment, and exit. No incidents of forced labour have ever taken place in our history.

We will not tolerate forced, bonded, or indentured labour, involuntary prison labour, slavery, or trafficking of persons. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services.

We recognize the risk of modern slavery due to the complexity of global supply chains in the ICT industry, and have taken steps to ensure that such practices do not occur in its business or within the businesses of its suppliers of goods or services.

Case 5.2 An Extract from a Swedish ICT Company's Modern Slavery and Human Trafficking Statement 2021¹²⁹

The type and severity of modern slavery risks depend on the supplier category. Modern slavery and human trafficking risks in hardware and component manufacturing are often related to migrant labor and issues such as recruitment fees, debt bondage, withholding of identification papers, and low wages. Modern slavery and human trafficking risks are also present further upstream in these supply chains, in the extractive sector, where child labor and forced labor can be linked to ongoing armed conflicts and instability in source countries.

For logistics suppliers, issues such as low wages, excessive overtime and migrant labor are known to be connected to potential forced labor. Moreover, risks of human trafficking are also linked to the logistics industry.

128 <https://www.huawei.com/uk/declarations/huawei%20human%20rights%20commitment>

129 <https://www.ericsson.com/492c0a/assets/local/about-ericsson/sustainability-and-corporate-responsibility/documents/2021/modern-slavery-and-human-trafficking-statement.pdf>

Business support services include risks related to hiring of cleaning, security and canteen staff, which often include vulnerable groups such as migrant workers. Additionally, business travel can consist of modern slavery and human trafficking risks in specific countries where such risks are prevalent in the hospitality sector.

Regarding the company's own operations, the main risk of modern slavery and human trafficking is connected to the use of temporary labor through recruitment agencies. Especially when recruiting labor in high-risk countries.

Case 5.3 An Extract from a US building Engineering Company's Anti-human Trafficking/Modern Slavery Policy¹³⁰

Prohibited activities include, among other things, engaging or participating in human trafficking, procuring commercial sex acts, using forced labour, denying employees access to identity or immigration documents, engaging in fraudulent or misleading recruitment practices, using third party recruiters who have not represented that they comply with local labour laws, charging recruitment fees to employees, providing housing that does not meet host country standards, and failing to timely provide employment documents to employees in a language that the employee understands.

All our personnel are responsible for ensuring compliance with this policy and its related procedure. As necessary, our operating units will develop, communicate, and maintain additional anti-human trafficking compliance programs tailored to the needs of specific projects and businesses. To the extent necessary, these programs shall address requirements for training, certification, due diligence, periodic risk assessments, and statutory reporting.



130 http://aecom.com/wp-content/uploads/documents/policies/AECOM_Anti_Human_Trafficking_Policy.pdf

5.2 Key Standards and Implications for Businesses

5.2.1 Key Norms and Standards

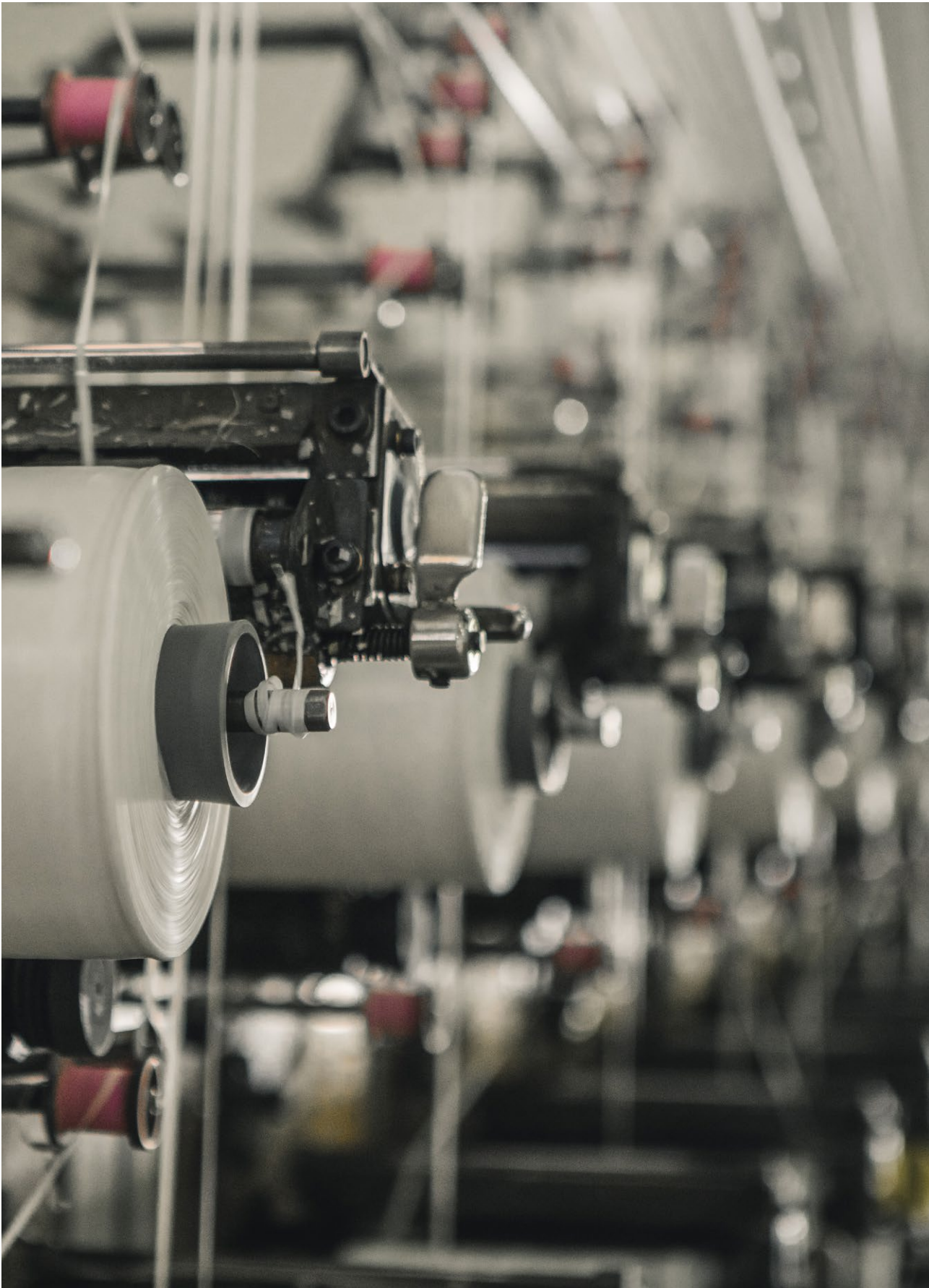
Prohibition of forced labour can be found in many international norms. Some key norms are listed in the following tables:

Examples of International Instruments for Elimination of Forced Labour

Universal Declaration of Human Rights (UDHR) Article 4, 23(1), 24
 International Covenant on Civil and Political Rights (ICCPR) Article 7, 8
 International Covenant on Economic, Social and Cultural Rights (ICESCR) Article 6, 7
 ILO Forced Labour Convention, 1930 (No. 29)
 ILO Abolition of Forced Labour Convention, 1957 (No. 105)
 ILO Protocol to the Forced Labour Convention, 2014

Some States and regions have formulated domestic laws to prohibit forced or compulsory labour in their global supply chain, for example:

Norms	Introduction
U.K. Modern Slavery Act 2015	The Act requires companies with an annual turnover of £36 million or more operating in the UK to publish an annual modern slavery statement. This statement must describe the company's steps during the financial year to ensure that slavery and human trafficking are not occurring in its operations and supply chains.
Australia Modern Slavery Act 2018	This Act requires entities based or operating in Australia with an annual consolidated revenue of more than \$100 million to report annually on the risks of modern slavery in their operations and supply chains and actions to address those risks.
Australia Modern Slavery Act 2018	The Act requires companies to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains. The Act applies to retailers and manufacturers that do business in California and have annual worldwide gross receipts over \$100 million.



5.2.2 Implications for Businesses

Companies can be affected by forced labor risks in their operations and supply chains in many ways. ¹³¹



Reputational and Brand Risks

Campaigns by non-governmental organizations (NGOs), unions, consumers and other stakeholders against multinational companies can lead to a weakening of brand reputation. This can also make the company less attractive to employees and cause higher turnover.



Financial Risk

Consumer boycotts of companies that are alleged or found to have forced labour in their supply chains can lead to lower sales. Investors are increasingly applying ESG criteria in their decision-making. Companies with low “social” performance may face divestment and avoidance by investors.



Legal Risks

Legislation on modern slavery may include mandatory reporting. Companies may be penalized if they do not meet such reporting obligations. Emerging global legislation targeting forced labour in value chains increases the legal risk for non-compliant companies.



Operational Risk

Changes to companies' supply chains made in response to the discovery of forced labour may result in disruption. For example, companies may feel the need to terminate supplier contracts (resulting in potentially higher costs and/or disruption) and direct sourcing activities to lower-risk locations. Additionally, internal resources will need to be dedicated to address any allegations.

131. <https://bhr-navigator.unglobalcompact.org/issues/forced-labour/>

5.3 Management Practice Recommendations

Infrastructure companies need to determine if forced labour exists in their business.

Forced labour is a global problem in developing and developed countries. When forced labor is discovered, it should be dismissed from the job right away and provided with follow-up services. Comprehensive interventions, including workplace and community actions, are needed to eliminate forced labour.

Here are some actions infrastructure companies can take:¹³²

In the workplace

- Establish a clear policy not to use, be complicit in, or benefit from forced labour. Have a clear policy not to use, be complicit in, or benefit from forced labour;
- If there are insufficient provisions on forced labour in local laws, companies can draw on international standards.
- Ensure that the company's management level is fully aware of forced labour.
- Provide all employees with employment contracts that describe the terms of service, the voluntary nature of employment, freedom to leave (including leaving procedures according to the national law), and any penalties associated with cessation of employment.
- Confiscation of employees' identification documents is prohibited.
- Charging of recruitment fees to employees is prohibited.
- Write employment contracts in language that employees can easily understand, describing the procedures for leaving.
- Pay attention to countries and regions where forced labour is more likely to occur.
- Ensure that workers in debt bondage or other forms of forced labour are not employed. When such employment is identified, employment should cease immediately, and viable alternatives should be offered.
- Pay special attention to migrant workers.
- Establish policies and procedures that prohibit companies from charging deposits from employees.
- Carefully monitor supply chains and subcontracting arrangements.¹³³

¹³² <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

¹³³ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

- Carefully monitor agencies that provide contract labour, especially across borders, and blacklist agencies known to withhold worker identification documents and prevent workers from leaving freely.¹³⁴



Case 5.4 A Finnish Energy Company's Due Diligence Processes for Slavery and Human Trafficking¹³⁵

As part of our initiative to identify and mitigate risk we have in place internal reporting as well as supplier assessment processes to ensure our policies and codes of conduct are complied with. We pay special attention to suppliers operating in risk countries. Our risk-country classification is based on the World Bank's Worldwide Governance Indicators and ILO's Country reports. The list of risky countries was most recently updated in 2022.

We have systems in place to:

- Identify and assess potential risk areas in our supply chains
- Monitor potential risk areas in our supply chains
- Mitigate the risk of slavery and human trafficking occurring in our supply chains
- Ensure reporting of potential misconduct and abuses

134 https://www.ilo.org/beijing/areas-of-work/international-labour-standards/WCMS_681534/lang--zh/index.htm#Q2

135 https://www.fortum.com/sites/default/files/documents/fortum_modern_slavery_statement_2021_4_.pdf

In the Community of Operation:

- Establish or participate in a working group or committee on forced labour in your representative employers' organisation, locally or nationally.
- Cooperate with other companies, sector associations, and employer organisations to develop an industry-wide approach to the problem and build bridges with trade unions, law enforcement authorities, labour inspectorates etc.
- Support and help design education, vocational training, and counseling programs to help children leave forced labour.
- Provide skills training and income-generating programs for adults exiting forced labor, including micro-credit financing programs.
- Provide supplemental health and nutrition programs for workers who leave hazardous forced labour, and medical care for those suffering from occupational diseases and malnutrition due to involuntary work.¹³⁶

Case 5.5 An Extract from a US ICT Company's 2021 Purpose Report¹³⁷

Upholding workers' rights to be free from forced labor of any kind is embedded within our Supplier Code of Conduct, which aligns with the International Labour Organization's Indicators of Forced Labor. One form of forced labor sometimes found in the electronics industry is debt bondage, which occurs when a worker takes on debt for expenses related to their employment, such as recruitment fees, travel, or shelter. Indebtedness, in turn, makes workers vulnerable to other forms of exploitation. We engage suppliers aligned to our commitment with the UNGPs to address this issue. We not only work to identify risks for forced labor within the supply chain but also work with suppliers to stop exploitative practices and remediate affected workers.

During fiscal 2021, we continued to identify risks of debt bondage in countries where it is legal for recruiters to charge fees to foreign migrant workers. In these instances, workers paid recruitment fees equivalent to a month of their gross wages or more. Our assessments did not, however, turn up evidence of other forced labor conditions, such as infringement on workers' freedom of movement, document retention, contract substitution, or inhumane treatment. As a part of our normal processes, we require suppliers to absorb recruitment fees passed on to workers moving forward and remediate and reimburse affected workers. It can take time to resolve these issues, and our efforts in this area are ongoing.

¹³⁶ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-4>

¹³⁷ https://www.cisco.com/c/dam/m/en_us/about/csr/esg-hub/_pdf/purpose-report-2021.pdf



5.4 Key References and Tools

References

Author	Name	Introduction
UN Global Compact	Principle Four ¹³⁸	Introduction of the Principle on the UNGC website.
UN Global Compact	Business and HR navigator - Forced Labour ¹³⁹	Guiding companies worldwide to understand better and address human rights impacts in their operations and supply chains.
ILO	Q&As on Business and Forced Labour ¹⁴⁰	Practical Q&As on forced labour.
ILO	Global Business Network on Forced Labour ¹⁴¹	Companies can learn about forced labour in the online library and join the network.

Tools

Author	Name	Introduction
UN Global Compact	E-learning module ¹⁴²	The E-learning module was developed by the UN Global Compact and International Labour Organization to help companies understand the UN Global Compact Labour Principles and related concepts and best practices and share practical steps to take action.

¹³⁸ <https://unglobalcompact.org/what-is-gc/mission/principles/principle-4>

¹³⁹ <https://bhr-navigator.unglobalcompact.org/issues/forced-labour/>

¹⁴⁰ https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_FL_FAQ_EN/lang--en/index.htm

¹⁴¹ <https://flbusiness.network/library-publication/>

¹⁴² <https://academy.unglobalcompact.org/learn/lp/231/Advancing%20decent%20work%20in%20business%20through%20the%20UN%20Global%20Compact%20Labour%20Principles>

ILO and IOE	Combating Forced labour: A Handbook For Employers And Business ¹⁴³	<p>This handbook is produced jointly by the International Organisation of Employers (IOE) and the ILO. It offers guidance to employers on what forced labour is, how to detect it, and effective ways to combat it, thereby ensuring that business operations remain free of forced labour in their own operations and global supply chains.</p> <p>The handbook consists of:</p> <ul style="list-style-type: none"> • Employers' frequently asked questions • Guiding principles to combat forced labour • Checklist and guidance for assessing compliance • A guide for taking action • Tips for taking action • Case studies
ILO	Eliminating and Preventing Forced Labour: Checkpoints app ¹⁴⁴	<p>This mobile app allows business managers and auditors to create interactive checklists that will help ensure a forced labour-free operation. There are 38 checkpoints in total – each one provides best-practice recommendations for taking action.</p>
ILO	Indicators of Forced Labour ¹⁴⁵	<p>This booklet presents the International Labour Organization's eleven forced labour indicators. These indicators represent the most common phenomena that indicate the possible existence of forced labour. The presence of one indicator in a given situation may in some cases imply the existence of forced labour. However, in other cases several indicators are needed to point to a forced labour case.</p>

143 https://www.ilo.org/global/topics/forced-labour/publications/WCMS_101171/lang--en/index.htm

144 https://www.ilo.org/global/publications/WCMS_460489/lang--en/index.htm

145 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf

<p>Ethical Trading Initiative</p>	<p>Base Code guidance: Modern slavery¹⁴⁶</p>	<p>The indicators are:</p> <ul style="list-style-type: none">• Abuse of vulnerability• Deception• Restriction of movement• Isolation• Physical and sexual violence• Intimidation and threats• Retention of identity documents• Withholding of wages• Debt bondage• Abusive working and living conditions• Excessive overtime <p>This guide can help businesses understand key concepts, legal definitions and their responsibility to tackle modern slavery. It provides examples and practical steps to assist companies on the prohibition of forced labour and give companies advice on how to embed modern slavery awareness and due diligence within business practice.</p> <p>The guide contains:</p> <ul style="list-style-type: none">• advice on identifying risks of modern slavery in supply chains and business operations, as well as stakeholder engagement;• how to prevent modern slavery in supply chains;• the remediation process;• information on selected geographies linked to a high risk of forced labour and frequently asked questions about strategies to address modern slavery.
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146 <https://www.ethicaltrade.org/resources/base-code-guidance-modern-slavery>

6

GC Principle 5-Abolition of Child Labour

UNGC Principle 5

**Businesses should uphold the effective
abolition of child labour.**

6.1 Concepts

Child Labour¹⁴⁷

According to the ILO, "child labor" refers to work that deprives children of their childhood, potential, and dignity while damaging their physical and mental development. It refers to work that:

¹⁴⁷ <https://www.ilo.org/pec/facts/lang--en/index.htm>



Is mentally, physically, socially, or morally dangerous and harmful to children; and/or

Interferes with their schooling, depriving them of school and forcing them to leave school prematurely, or requiring them to try to combine school with an excessively long and demanding workload.

Minimum Age for Work

According to ILO's Minimum Age Convention, the minimum working age should not be lower than the age of completion of compulsory education and generally not lower than 15 years. However, countries with less developed economies and educational facilities may initially set a minimum age of 14 years as a transitional measure. Children can engage in light work from 13 years of age (or 12 as a transitional measure), provided it does not interfere with their education or vocational training and does not negatively affect their health.

The Worst Forms of Child labour

All children under 18 are prohibited from the worst forms of child labour. According to Article 3 of ILO's Worst Forms of Child Labour Convention, the worst forms of child labour comprise:

1

All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict.

2

The use, procurement, or offering of a child for prostitution, pornographic production, or pornographic acts.

3

The use, procurement, or offering of a child for illicit activities, particularly drug production and trafficking, as defined in the relevant international treaties.


4

Work that has the potential to affect children's health, safety, or morality due to its nature or the conditions under which it is carried out.


Hazardous Child labour

Article 3(d) of ILO's Worst Forms of Child Labour Convention is also called "Hazardous Child labour."¹⁴⁸ Examples of hazardous child labour include:


While legally operating infrastructure companies do not typically engage in this practice, child labour may be associated with a company because of its business ties to other entities, such as contractors and suppliers. Working in the construction industry can expose children to harmful tasks such as working at perilous heights, using dangerous machinery, and hauling big items.




Work that exposes children to physical, psychological or sexual abuse.




Work with dangerous machines, equipment and tools, or work that involves manual handling or transport of heavy loads.



Work underground, underwater, at dangerous heights or in confined spaces.



Work in unhealthy environments, for example, where children may be exposed to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations that are harmful to their health.



Work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the employer's premises.

148 <https://www.ilo.org/ipecc/facts/WorstFormsofChildLabour/Hazardouschildlabour/lang--en/index.htm>

6.2 Key Standards and Implications for Businesses

6.2.1 Key Norms and Standards

International Conventions

The two ILO fundamental Conventions and the UN Convention on the Rights of the Child provide a framework for national laws to clearly define what is acceptable and what is not acceptable for children's employment.

The ILO Minimum Age Convention No. 138 (1973)	It sets the general minimum age of 15 for employment with some exceptions for developing countries.
The ILO Worst Forms of Child Labor Convention No. 182 (1999)	It prohibits the worst forms of child labor, including hazardous work for young workers under the age of 18.
The UN Convention on the Rights of the Child	It prohibits child labor and requires signatories to regulate the minimum age and conditions of work for children.

All 187 ILO Member States have ratified ILO Convention No. 182 (it is the only ILO Convention that has achieved universal ratification). All countries except the United States have also ratified the UN Convention on the Rights of the Child. In addition, most countries have ratified ILO Convention No. 138. This means that the vast majority of countries should establish laws on child labour to implement the provisions of these international legal instruments. However, ratification of the Convention does not guarantee the complete elimination of child labour in these countries.¹⁴⁹

Domestic Legislation

Some States and regions have formulated domestic laws to prohibit child labour in their global supply chain, for example:¹⁵⁰

¹⁴⁹ <https://bhr-navigator.unglobalcompact.org/issues/child-labour/definition-legal-instruments/>

¹⁵⁰ <https://ohrh.law.ox.ac.uk/dutch-child-labour-due-diligence-law-a-step-towards-mandatory-human-rights-due-diligence/>
<https://www.ropesgray.com/en/newsroom/alerts/2019/06/Dutch-Child-Labor-Due-Diligence-Act-Approved-by-Senate-Implications-for-Global-Companies>; <https://uscode.house.gov/view.xhtml?path=/prelim@title19/chapter4&edition=prelim>
<https://crsreports.congress.gov/product/pdf/IF/IF11360>

Dutch Child Labour Due Diligence Law	<p>The Act covers companies that sell or supply goods or services to end-users in Dutch, including companies registered outside Dutch. A company subject to the Act generally must prepare a statement indicating it has exercised due diligence to prevent the use of child labor in the production of goods and services it sells or supplies to end users in Dutch.</p>
Section 307 of the Tariff Act of 1930 (19 U.S.C. §1307) of the U.S.	<p>The Act prohibits the importation of any product that is mined, produced, or manufactured wholly or partly by forced labor, including forced or indentured child labor. U.S. Customs and Border Protection (CBP) enforces the prohibition.</p>

There are several other examples of legislation that mandate child labour-related reporting, including the United Kingdom Modern Slavery Act 2015, the Australian Modern Slavery Act 2018, the California Transparency in Supply Chains Act, the French Corporate Duty of Vigilance Law, the German Act on Corporate Due Diligence Obligations in Supply Chains and the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions.¹⁵¹

Case 6.1 An Extract from a Chinese Material Company's Sustainability Report¹⁵²

We are committed to prohibiting child labor and restricting the employment of underage workers. We have established "Procedures for Prohibiting Child Labor" and "Recruitment Management Regulations" to ensure that no child labor is recruited by reviewing and confirming the valid identification of candidates in various ways during employee recruitment, entry approval, and reporting to work. Once the employment of child labor is found, we stipulate that rescue measures should be taken immediately, including immediately stopping their work, paying all salaries in full, sending someone to escort them home, and handing them over to their guardians, and all journey costs should be borne by the company. We will strictly investigate the causes of misuse of child labor, and for those who neglect their duties, the company will make relevant treatment according to factory regulations.

151 <https://bhr-navigator.unglobalcompact.org/issues/child-labour/definition-legal-instruments/>

152 <https://www.dingshengxincai.com/upload/files/2021/9/332fc7f47736a6f0.pdf>

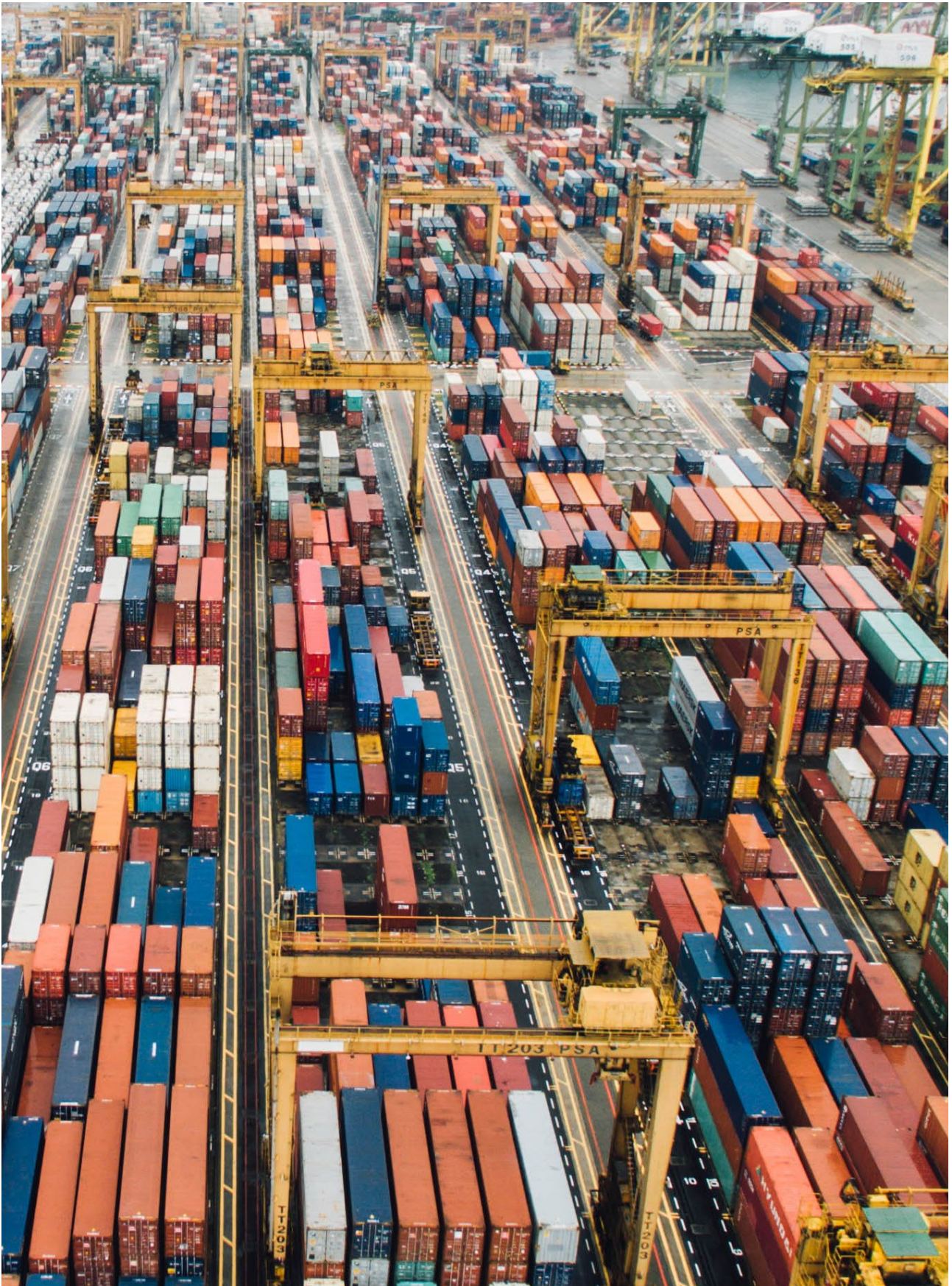
Case 6.2 An Extract from a Russian Energy Company's Human Rights Policy¹⁵³

We act in compliance with international and cross-border principles and regulations, including the Modern Slavery Act (UK, 2015) and the Transparency in Supply Chains Act (California, USA, 2010). We declare, and fully commit, that the Company and its subsidiaries do not allow any form of slavery and forced labour regardless of the region and type of operations.

We do not accept the practices of any forms of forced and/or compulsory labour, including child labour, and strongly support their elimination. We never use child labour in the Company and Group subsidiaries, and apply this approach to the Company's supply chain.

We operate in full compliance with the ILO C138 Minimum Age Convention and legislation in the regions of our operations.

153 https://www.rosneft.com/upload/site2/attach/3/02/Human_rights_Rosneft_eng.pdf



6.2.2 Implications for Businesses

Companies can be affected by forced labor risks in their operations and supply chains in many ways.¹⁵⁴



Reputational and Brand Risks

Campaigns by non-governmental organizations (NGOs), unions, consumers and other stakeholders against multinational companies can lead to a weakening of brand reputation. This can also make the company less attractive to employees and cause higher turnover.



Financial Risk

Consumer boycotts of companies that are alleged or found to have forced labour in their supply chains can lead to lower sales. Investors are increasingly applying ESG criteria in their decision-making. Companies with low "social" performance may face divestment and avoidance by investors.



Legal Risks

Legislation on modern slavery may include mandatory reporting. Companies may be penalized if they do not meet such reporting obligations. Emerging global legislation targeting forced labour in value chains increases the legal risk for non-compliant companies.



Operational Risk

Changes to companies' supply chains made in response to the discovery of forced labour may result in disruption. For example, companies may feel the need to terminate supplier contracts (resulting in potentially higher costs and/or disruption) and direct sourcing activities to lower-risk locations. Additionally, internal resources will need to be dedicated to address any allegations.

¹⁵⁴ <https://bhr-navigator.unglobalcompact.org/issues/child-labour/>

6.3 Management Practice Recommendations



Infrastructure construction can create opportunities for child labour, both for the children of migrant labourers and more generally, if the project does not have rigorous safeguarding procedures in place and in the absence of domestic regulation and monitoring on child labour within host countries. In addition, unsafe working conditions could pose broader risks for youth (of working age) and families working in the construction or operation of large-scale infrastructure.

Developing awareness and understanding of the causes and consequences of child labor is the first step that an infrastructure company can take to combat child labor. This means identifying the issue and determining whether child labor is an issue within the business. Companies that source with geographically distant supply chains need to be particularly vigilant.

Discovering whether child labour exists can be difficult, for example, in the absence of documentation or records, and companies may consider using the assistance of local NGOs, development organizations, or UN agencies.

If child labour is found to be occurring, children need to be removed from the workplace and provided with viable alternatives. These often include enrolling children in schools and providing income-generating pathways for the parents or members of the family who are above working age. Companies need to be aware that without support, children may be forced into worse situations, such as prostitution, and that in some cases, immediately removing children from the workplace may exacerbate rather than alleviate difficulties if they are the sole provider of income in their families.¹⁵⁵

Companies are recommended to:

¹⁵⁵ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-5>

In the workplace

- Know the countries and regions that are more likely to have child labour and respond accordingly through policies and procedures.
- Comply with minimum age requirements in national labour laws and regulations, and take into account international standards where national laws are inadequate. For example, a Chinese company declares in its Sustainability Report that “the Company strictly complies with the Chinese National Regulations on Prohibition of Child Labor and the legal requirements of countries and regions where overseas operations are located regarding the prohibition of child labor. 2021, the Company did not have any incidents of employment of child labor and forced and compulsory labor.”¹⁵⁶
- Use appropriate and verifiable age verification mechanisms in the recruitment process.
- Avoid blanket policies that prohibit the employment of children under the age of 18, which would exclude those above the legal age for employment from decent work opportunities.
- If children below the legal working age are found in the workplace, take steps to remove them from the workplace.
- Help find viable alternatives and access to appropriate services for children and their families.
- Influence subcontractors, suppliers and other corporate affiliates to combat child labour.
- Develop and implement mechanisms to detect child labour.
- If wages are not determined collectively or by minimum wage regulations, take measures to ensure that wages paid to adults take into account their needs and those of their families.



¹⁵⁶ http://file.finance.sina.com.cn/hkdata98/hk/hk_realtime_announcement/news/20220327/10174422-0.PDF

How can an Infrastructure Company Rescue Children in Its Mineral Supply Chain From Danger?

Mining is often related to infrastructure. Investment in mining sometimes comes with a package of investment in infrastructure, such as in railways and ports for transportation. Minerals are also important materials for the infrastructure sector. It is a common phenomenon that children work in the mining sector. Here are some suggestions for companies to rescue children in their mineral supply chain.¹⁵⁷

Develop a Monitoring System

Without inspection or oversight, and when underlying causes of child labour persist, there is a high risk that children will sooner or later return to dangerous work. Communicate with the labour inspectorate or mining inspectors to see if surveillance of the area can be increased and ensure they understand the laws concerning child labour. Where the formal inspectorate cannot provide additional help, support the development of a community watch or community-based monitoring system linked to the inspectorate. Provide the inspectors and/or monitors with a checklist of hazards faced by children in mining that includes psycho-social and moral risks.

Provide Immediate Care

The company should assess whether child labourers need immediate care, such as food, first aid, and counseling. Children may be suffering from malnutrition or dehydration, and may also have wounds which require attention. The company can engage competent authorities and qualified child protection and welfare specialists who can build trust and formulate tailored plans to promote children's best interests.

Remove Children as Quickly As Possible From Hazardous Work

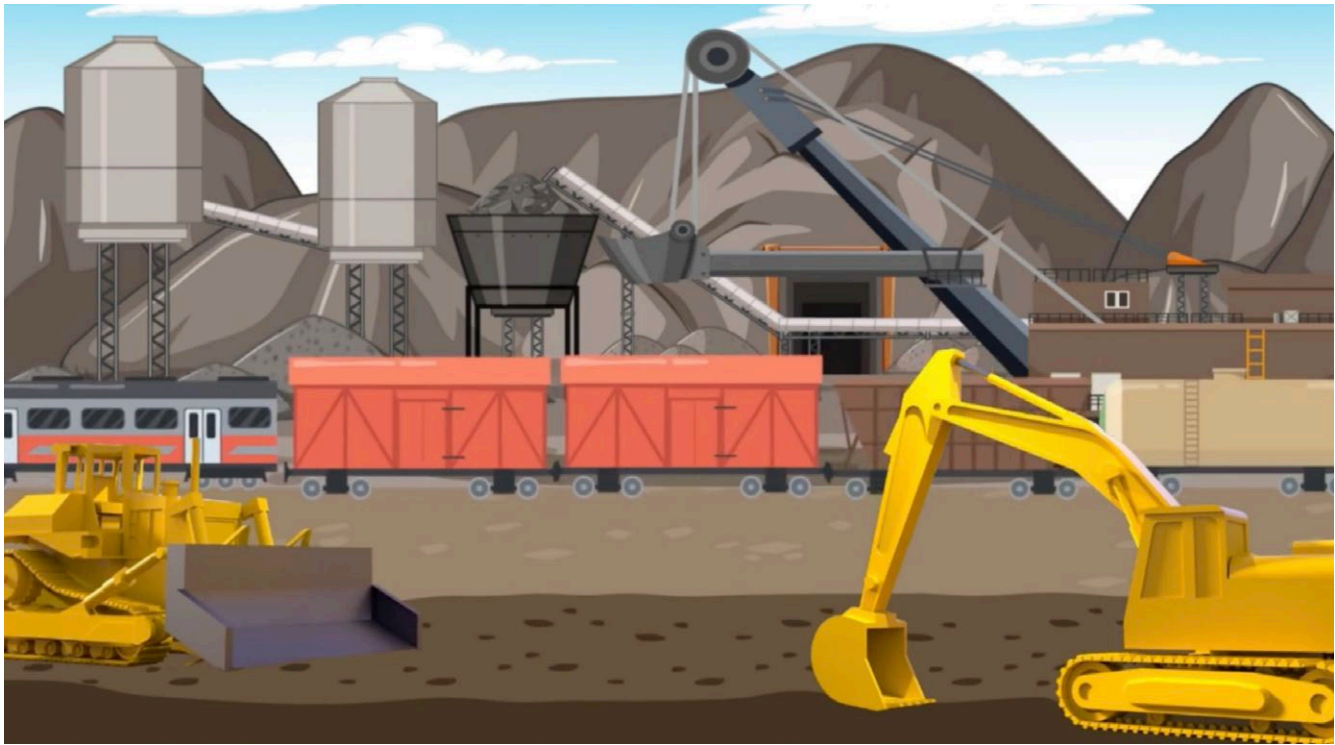
If children are in hazardous work, such as handling mercury, going underground or diving underwater with a breathing tube, they should be removed from work and enrolled in a school or other educational programme. Social services or counselling may also be needed. This will require convincing parents or other care-givers that this action must be taken for the good of the child. Companies may consider providing employment for an adult member of the child's household or providing cash support to the family to compensate for the loss of income.

Support the Provision Of Education

Younger children must have access to education as the alternative to child

¹⁵⁷ https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_720743.pdf

labour. They may require support to meet the direct and indirect costs of schooling. Non-formal education may be required to enable them to be reintegrated into formal school systems. Social services or counselling may also be needed. This will require convincing parents or other care-givers that this action must be taken for the good of the child. The company may consider providing employment for an adult member of the child's household, or providing cash support to the family to compensate for the loss of income.



Note: Shared Use of Mining-Related Infrastructure (Rail, Port, Power, Water, and ICT)¹⁵⁸

¹⁵⁸ <https://ccsi.columbia.edu/content/leveraging-mining-related-infrastructure-investments-development-rails-port-power-water-and>



Within the Operating Community

- Work with other companies, sectoral associations, and employers' org to develop an industry-wide approach to the problem, and establish links with unions, law enforcement authorities, labourlabor inspectorates and others.
- Establish or participate in a working group or committee on child labourlabor issues at the local or national level in representative employer organizations.
- Support and help design educational/vocational training, and counseling programs for child labour, as well as skills training for parents of child labour.
- Encourage and assist in initiating supplemental health and nutrition programs for children removed from hazardous work and provide medical care to cure children of occupational diseases and malnutrition.¹⁵⁹

159 <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-5>

Example: Responsible Mica Initiative (RMI)¹⁶⁰

Mica is used in various industries, such as automobiles, electronics, and cosmetics. Mica is extensively mined in the eastern Indian states of Bihar and Jharkhand. These areas are poor, and families are under economic pressure. Thus, many children collect mica to support their families, which results in hazardous child labour. Local governments lack the regulations necessary for monitoring the mica mining industry.

The RMI is a cross-industry platform that aims to eliminate child labour and unacceptable working conditions in India's mica supply chain. RMI members feel that to succeed, they must address every issue contributing to subpar working conditions and the use of child labor. They believe that these factors also need to be addressed simultaneously. Only a holistic and simultaneous approach can bring about long-term and sustainable change. The approach includes the following actions.

1. Mica Supply Chain Mapping and Workplace Standards for Mica Collection and Processing

RMI members must map the sources of mica in their products to understand the exporters, processors, and mines in India. Each member's supply chain participants must adopt workplace environmental, health, safety, and fair labour practices, including prohibitions on child labour.

2. Community Empowerment in Villages that Provide Mica labour

Empower villages that provide labour to mica mines and processing plants so that local people can access better educational resources for children, better health care, alternative means of livelihood to reduce economic dependence on mica, and government social programs.

3. Legal Framework for the Mica Industry

RMI encourages the establishment of laws and regulations and related enforcement mechanisms to govern all aspects of the mica industry and to create a responsible and sustainable mica supply chain.

¹⁶⁰ <https://humanrights.wbcsd.org/project/responsible-mica-initiative/>

Case 6.3 A Chinese Cobalt Supplier's Reflections and Practices of Combating Child Labour of Cobalt Artisanal Mining in Impoverished Areas of the Democratic Republic of the Congo (DRC)

A Dilemma

The company is concerned about the human rights challenges in the global cobalt supply chain and strongly condemns practices that violate human rights, such as the use of child labor. However, artisanal mining is the Congolese people's primary livelihood source, and the extreme poverty of artisanal miners makes the impact on their income unbearable. Stopping the purchase from artisanal miners, even temporarily, will directly affect tens of thousands of families who depend on artisanal mining and indirectly affect thousands of other families. Many NGOs, civil society groups, and international development experts oppose banning artisanal mining.¹⁶¹

Community Building

A study by the University of California, Berkeley's CEGA Research Center on the causes of child labor in this region shows that poverty is the root cause of local child labor and other human rights violations. Having operated in the region for many years, the company is aware that while actively building a cobalt supply chain due diligence management system and a template mine system, companies must also contribute to community building, education and training, and other on-site projects to improve local people's livelihoods.

Over a decade ago, the company started communicating with Zhejiang University and Lubumbashi University on cooperation matters and invested USD 8 million in an Agricultural Technology Park project in the DRC. Nearly 1,700 acres of the modern agricultural park have been built, including 5,000 square meters of intelligent glass greenhouses, 100 acres of greenhouses, seven functional industrial plots, and 13 key agricultural projects. Chinese agricultural and livestock products such as rice, vegetables, chickens, and pigs are introduced. Local farmers can learn farming techniques and methods. This program enhances local agricultural development and provides a demonstration and guarantee for regional self-sufficiency in constructing food and vegetables.¹⁶²

Standardization, Due Diligence Management, and Large-Scale Mining

The corporation legally stopped artisanal cobalt mining in the DRC starting in April 2020. During the suspension period, the company invested human and material resources to continue the responsible cobalt artisanal mining standardization project in cooperation with downstream related parties.

The company has increased the development of its own large-scale industrial mining, which is managed in strict accordance with due diligence management requirements, mechanized mining, and strictly prohibits child laborers from

¹⁶¹ <https://www.huayou.com/news/345.html>

¹⁶² <https://www.huayou.com/social111.html?introid=64>

entering the mine site while controlling human rights violations and occupational health and safety, and continuously improving the site environment, with relatively low risk.

Due diligence management of large-scale industrial mining of cobalt raw materials has been strengthened. Information is collected and evaluated through KYS (Know Your Suppliers) documents. Suppliers of mechanized cobalt mining generally own their mines and mine the material mechanically. In addition, they have their own policies on human rights, occupational health and safety, the environment, etc. The management of mine sites is relatively good, and the risks of child labor and human rights violations are relatively low.¹⁶³

Child Labor Rescue Program

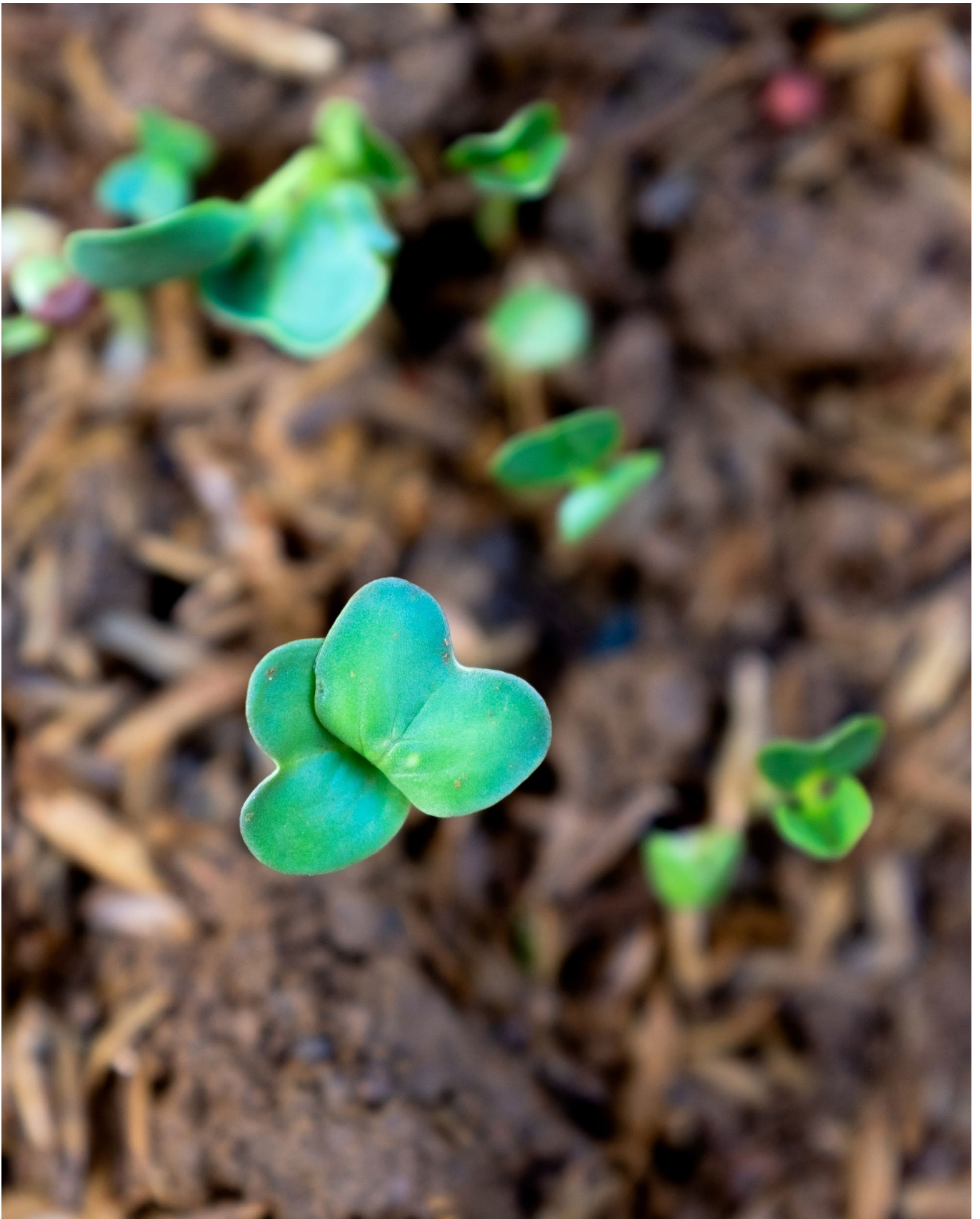
The company cooperates with an international NGO and funds its child labor rescue program in the DRC, returning the rescued child laborers to schools or vocational skills schools. The number of children rescued in 2016-2017 is between 800 and 1,000.¹⁶⁴

Businesses and financial institutions need to understand that effective child labor prevention strategies that address root causes can improve a range of children's rights, such as rights to education, freedom of expression, play and recreation, health, protection, and adequate standard of living. Below are some positive impacts infrastructure can have on children's rights beyond preventing child labor.

- Transport infrastructure creates access to remote and rural communities and enhances access to a broad range of social and economic infrastructure, including health care and educational facilities.
- Health and sanitation infrastructure can prompt an increase in regional cooperation and coordination in maternal and child health, mental health, chronic disease-related disabilities, and non-communicable diseases, as well as in medical assistance and emergency medical aid.
- Electricity infrastructure can potentially increase access to cheaper, clean, and more sustainable energy.
- Digital infrastructure could improve affordable access to a wide range of digital opportunities for the most disadvantaged children, particularly during the COVID-19 pandemic.
- Investment in smaller localized social infrastructure projects, i.e., schools, healthcare clinics, libraries, or community centers, often goes hand in hand with large-scale infrastructure construction. These projects can act as a device to develop trust with local communities and cement the tangible benefit of connectivity infrastructure investment at a local level.

163 https://v1.cecdn.yun300.cn/100001_1903055003/%E5%8D%8E%E5%8F%8B%E9%92%B4%E4%B8%9A2020%E5%B9%B4%E9%92%B4%E4%BE%9B%E5%BA%94%E9%93%BE%E5%B0%BD%E8%B4%A3%E7%AE%A1%E7%90%86%E6%8A%A5%E5%91%8A1.pdf

164 https://v1.cecdn.yun300.cn/100001_1903055003/%E5%8D%8E%E5%8F%8B%E9%92%B4%E4%B8%9A2020%E5%B9%B4%E9%92%B4%E4%BE%9B%E5%BA%94%E9%93%BE%E5%B0%BD%E8%B4%A3%E7%AE%A1%E7%90%86%E6%8A%A5%E5%91%8A1.pdf



6.4 Key References and Tools

References

Author	Name	Introduction
UN Global Compact	Principle Five ¹⁶⁵	Introduction of the Principle on the UNGC website.
UN Global Compact	Business and HR navigator - Child Labour ¹⁶⁶	Guiding companies worldwide to better understand and address human rights impacts in their operations and supply chains.

Tools

Author	Name	Introduction
UN Global Compact	E-learning module ¹⁶⁷	The E-learning module was developed by the UN Global Compact and International Labour Organization to help companies understand the UN Global Compact Labour Principles and related concepts and best practices and share practical steps to take action.
ILO	Child Labour Platform ¹⁶⁸	The platform aims to identify the obstacles to implementing the ILO Conventions in supply chains and surrounding communities, identify practical ways of overcoming these obstacles, and catalyse collective action.

¹⁶⁵ <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-5>

¹⁶⁶ <https://bhr-navigator.unglobalcompact.org/issues/child-labour/>

¹⁶⁷ https://academy.unglobalcompact.org/opencourses/learn/public/learning_plan/view/231/advancing-decent-work-in-business-through-the-un-global-compact-labour-principles

¹⁶⁸ <https://www.ilo.org/ipec/Action/CSR/clp/lang--en/index.htm>

ILO	Eliminating and Preventing Child Labour: Checkpoints app ¹⁶⁹	This mobile app allows business managers and auditors to create interactive checklists that will help them ensure a child labour-free operation. There are 18 checkpoints in total - each one provides best-practice recommendations for taking action.
ILO	Employers and Workers Handbook on Hazardous Child Labour ¹⁷⁰	It describes how employers and workers are working jointly to combat hazardous child labour in key sectors, such as agriculture, construction, mining and manufacturing, and makes suggestions on how this cooperation could be strengthened in the future.
ILO and IOE	Child Labour Guidance Tool for Business ¹⁷¹	<p>This Child Labour Guidance Tool was set out jointly by the ILO and the International Organisation of Employers (IOE) as a resource for companies to meet the due diligence requirements laid out in the UNGPs. The steps of the due diligence system include:</p> <ul style="list-style-type: none"> • Develop a policy commitment and embed it throughout the organisation • Assess child labour impacts • Integrate and take action on child labour impacts • Track performance on child labour • Communicate performance on child labour • Stakeholder engagement • Remedy and grievance mechanisms

169. https://www.ilo.org/global/publications/WCMS_460491/lang--en/index.htm

170. https://www.ilo.org/actrav/pubs/WCMS_164573/lang--en/index.htm

171. <https://unglobalcompact.org/library/3881>

UNICEF	Child Labour and Responsible Business Conduct - A Guidance Note for Action ¹⁷²	<p>This report provides an overview of how the private sector can respond more effectively and sustainably to child labour. It includes an in-depth analysis of business policies and practices in three key sectors: cobalt, cocoa and cotton. Based on this analysis, the report provides guidance for grounding child labour strategies in a child rights-based approach, with a focus on prevention and integration across core business practices and strategies. The report also explores emerging mandatory human rights due diligence legislation and the standards that such laws should include to effectively protect children from adverse business impacts, including child labour.</p>
UNICEF & WBCSD	Tackling Child Labor: An Introduction for Business Leaders ¹⁷³	<p>This resource builds on the latest data and insights emerging from the ILO and UNICEF and articulates tangible steps business leaders can take to ensure that their companies are leveraging their full potential to support the elimination of child labour in business operations and supply chains.</p> <p>The report focuses on three key areas in which business leaders can take meaningful action to support eliminating child labour. It highlights the importance of</p> <ul style="list-style-type: none"> (1) integrating child rights approaches into business strategies and activities; (2) investing in company systems and community resilience; and (3) inspiring others to take meaningful action.

172 <https://www.unicef.org/reports/child-labour-and-responsible-business-conduct>

173 <https://www.wbcsd.org/Imperatives/Equity-Action/News/WBCSD-UNICEF-launch-Tackling-Child-Labor-An-Introduction-for-Business-Leaders-in-German-Spanish-and-French>

Ethical Trading Initiative	Base Code Guidance: Child Labour ¹⁷⁴	<p>This guide provides companies with advice on what they can and should do to identify, manage, mitigate, prevent and continuously monitor and improve their approach to child labour.</p> <p>It is structured as follows: the first section contains some important basic information about child labour, the challenges companies face, and the minimum standards set forth in the ETI Basic Code. The second section describes the steps involved in applying a due diligence approach and contains recommendations on how companies can identify child labour, manage the discovery of child labour and how to prevent child labour in their supply chains. The final section contains definitions, information on international standards and useful references and resources.</p>
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174 https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_-_child_labour_web_0.pdf

7

GC Principle 6-Elimination of Discrimination

UNGC Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.





7.1 Concepts

Concept of “Discrimination”

According to the ILO, discrimination includes--

- (a) any distinction, exclusion, or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;
- (b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organisations, where such exist, and with other appropriate bodies.¹⁷⁵

Non-discrimination in employment means that employees are given opportunities under their ability to perform their jobs without distinction, exclusion, or preference on other grounds. For example, a Russian oil company declares in its human rights policy that “when selecting candidates to the Company’s management, including executive bodies, it takes every effort at ensuring diversity in terms of gender, age, education, skills, and other aspects that can contribute to better corporate management. Members of the Board of Directors are elected based on their deep experience and strong work performance, impeccable reputation, professional achievements, and personal skills. These characteristics are fundamental to a diverse and high-performing Board.”¹⁷⁶ Discrimination violates employees’ basic human rights and affects society’s value of fairness.¹⁷⁷ Discrimination on different grounds may occur in a variety of work-related activities, such as:¹⁷⁸

- Recruitment
- Remuneration
- Working hours and rest/paid leave
- Maternity protection
- Security of tenure
- Performance evaluation and promotion
- Training and opportunities
- Job prospects
- Social security
- Occupational safety and health
- Termination of employment

175. ILO, C111, art.1(1), see https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_Ilo_Code:C111

176. https://www.rosneft.com/upload/site2/attach/3/02/Human_rights_Rosneft_eng.pdf

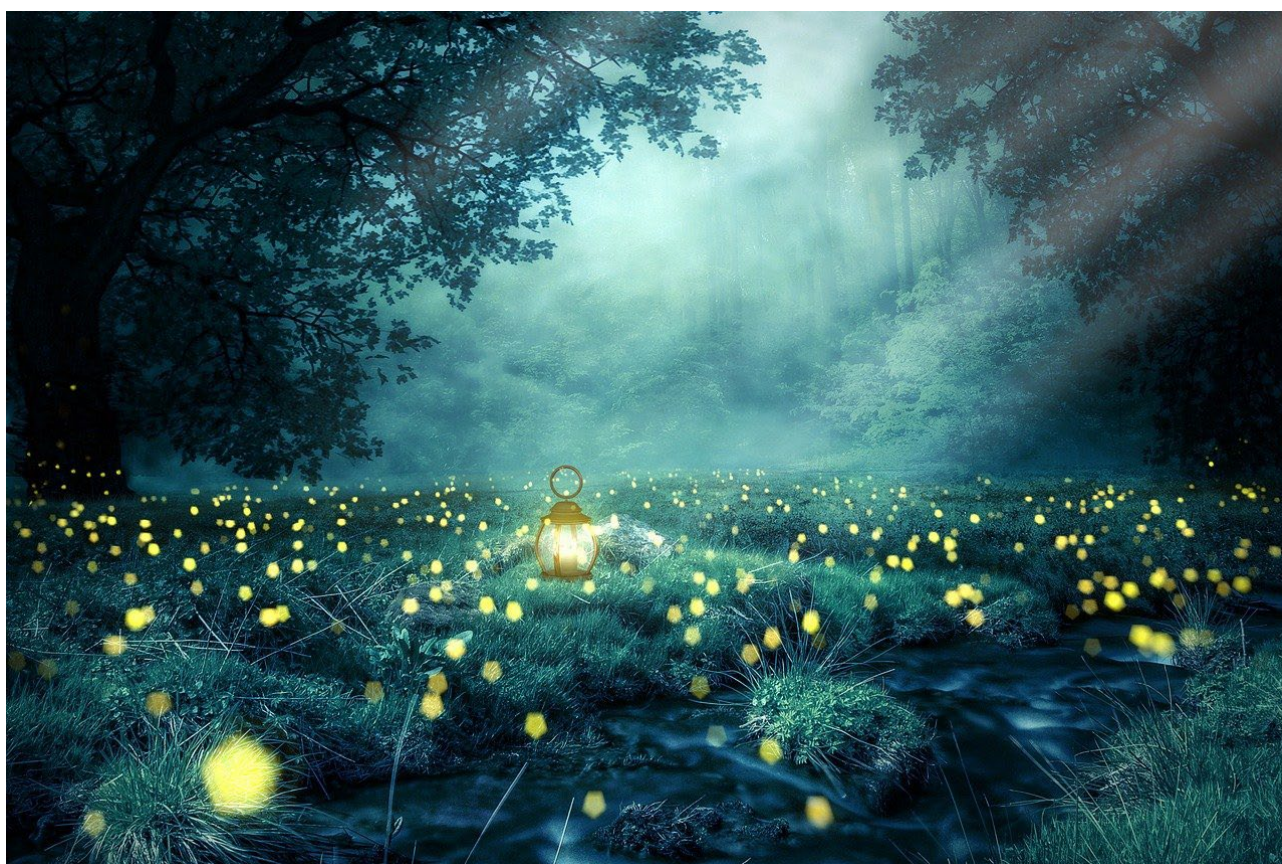
177. <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-6>

178. <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-6>

Discrimination may be direct or indirect. Indirect discrimination refers to apparently neutral u that results in unfair treatment of a specific group of people. For example, organising training sessions late at the end of the work day may exclude those who are interested but unable to attend due to family responsibilities. Workers who receive less training may be disadvantaged in future job assignments and promotions.¹⁷⁹

Case 7.1 An Extract from a Chinese Energy Company's Sustainability Report¹⁸⁰

The company treats employees of different nationalities, ethnic groups, races, genders, religious beliefs, and cultural backgrounds equally, focusing on promoting the employment of local residents, women, ethnic minorities, and college students, and strives to increase employment opportunities in local communities. The company strictly implements the provisions of maternity and breastfeeding leave for female employees to protect the rights and



179. https://www.ilo.org/beijing/areas-of-work/international-labour-standards/WCMS_681340/lang--zh/index.htm#Q7

180. <http://www.petrochina.com.cn/petrochina/xhtml/images/shyhj/2021esgcn.pdf>

Notice: Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination.¹⁸¹

Distinctions, exclusions, and preferences based on the inherent requirements of a particular job are not recognized as discrimination. However, such exceptions are subject to strict scrutiny. Often, it isn't easy to define whether qualification requirements for a particular job are bona fide and genuine requirements or specific requirements designed to exclude particular categories of workers.¹⁸²

In the respect of gender, some jobs may require specific gender, such as carrying heavy loads with hands.¹⁸³ However, all distinctions should be judged objectively and the abilities of different individuals should be considered, not those of particular groups. For example, technological advances have made small-framed women less able-bodied women fully capable of performing many jobs which were usually performed by men before.¹⁸⁴

What Distinctions Are Not Considered Discriminatory?¹⁸⁵

- Distinctions based on skills or effort are justified.
- Differences reflected in remuneration due to differences in years of education or length of employment are acceptable.
- It is not discriminatory for an infrastructure company to comply with government policies that correct historically formed perceptions of discrimination, thereby expanding equality of opportunity and treatment in employment.
- Special protection or assistance measures provided for in national laws, such as essential provisions on health and maternity, also do not constitute discrimination.
- Implementing the principle of equal treatment may require the support of special measures and the accommodation of differences, such as in matters relating to persons with disabilities.

181 https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C111

182 [https://www.ilo.org/public/libdoc/ilo/P/09661/09661\(1996-83-4B\).pdf](https://www.ilo.org/public/libdoc/ilo/P/09661/09661(1996-83-4B).pdf) para.118

183 [https://www.ilo.org/public/libdoc/ilo/P/09661/09661\(1996-83-4B\).pdf](https://www.ilo.org/public/libdoc/ilo/P/09661/09661(1996-83-4B).pdf) para.120

184 https://www.ilo.org/beijing/areas-of-work/international-labour-standards/WCMS_681340/lang--zh/index.htm#Q15

185 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_BDE_FAQ_EN/lang--en/index.htm#Q3

What Is Sexual Harassment?

Sexual harassment is defined as any behaviour of a sexual nature that affects the dignity of women and men, which is considered as unwanted, unacceptable, inappropriate and offensive to the recipient, and that creates an intimidating, hostile, unstable, or offensive work environment.¹⁸⁶

Actions of sexual harassment in workplace include:¹⁸⁷

- Physical: Physical violence, touching, unnecessary close proximity
- Verbal: Comments and questions about appearance, lifestyle, sexual orientation, offensive phone calls

Non-verbal: Whistling, sexually suggestive gestures, display of sexual materials

Is Sexual Harassment a Type of Discrimination?

Yes, it is. Sexual harassment is a sex-based discrimination.¹⁸⁸

Construction, particularly major infrastructure projects, can be a high-risk environment for sexual harassment. The harassment has been committed mostly by coworkers or construction supervisors and was largely due to gendered stereotypes about the sexual availability of female construction workers.¹⁸⁹



186 https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-hanoi/documents/publication/wcms_371182.pdf

187 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_decl_fs_96_en.pdf

188 https://www.ilo.org/empent/areas/business-helpdesk/faqs/WCMS_DOC_ENT_HLP_BDE_FAQ_EN/lang--en/index.htm#Q11

189 https://www.ifc.org/wps/wcm/connect/62316c4d-6518-4a7b-881d-461c219c46a5/SectorBrief_AddressingGBVH_Construction_July2020.pdf?MOD=AJPERES&CVID=nddoFUu



7.2 Key Standards and Implications for Businesses

7.2.1 Key Norms and Standards

Apart from the above-mentioned ILO Discrimination Convention, there are some other critical international norms for eliminating discrimination. The following are examples.

Examples of the International Instruments about Elimination of Discrimination

Universal Declaration of Human Rights (UDHR), Article 1, 23(2)
Convention on the Elimination of All Forms of Discrimination against Women, Article 11(1)
Convention on the Rights of Persons with Disabilities, Article 27
ILO Equal Remuneration Convention, 1951 (No. 100)

7.2.2 Implications for Businesses

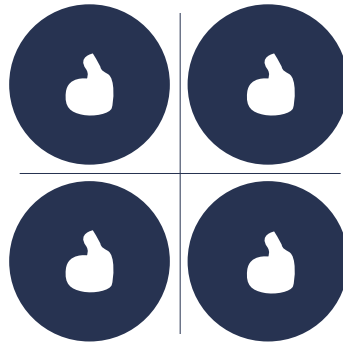
It is generally accepted that equality in the workplace has a positive impact on a company's performance. Benefits for a company include:¹⁹⁰

Productivity Improvement

When opportunities are equal, employees feel a sense of fairness and have better job prospects. When employees clearly know that they will receive rewards for their efforts, such as promotions and pay raises, they will be more motivated to engage in their work and thus productivity can be increased.

Better Match and Efficiency

When companies use more objective and institutional criteria to select employees, there is a better match between individuals and jobs, so workforce allocation will be more efficient and the quality of human capital and motivation will increase, leading to greater organizational efficiency.



Lower Staff Turnover Rate

An anti-discrimination work environment leads to a less stressful work environment, which is also beneficial to employees' physical and mental well-being. A combination of a less stressful workplace, career motivation and organizational efficiency, staff turnover rate will be lower.

Better Diversity as a Competitive Edge When Anticipating Customers' Needs

Equality in employment means diversity in the workforce, such as differences in gender, sexual orientation, nationality, ethnicity, race, religion, age, disability status, etc. This allows companies to better anticipate the diverse needs of their customers.

¹⁹⁰ https://www.ilo.org/beijing/areas-of-work/international-labour-standards/WCMS_681340/lang--zh/index.htm#Q8; https://www.ilo.org/beijing/areas-of-work/international-labour-standards/WCMS_681340/lang--zh/index.htm#Q9

In many ways, discrimination in their operations and supply chains can negatively affect infrastructure companies.¹⁹¹

Reputational and Brand Risks

Campaigns by non-governmental organizations (NGOs), unions, consumers and other stakeholders against multinational companies can lead to a weakening of brand reputation.

High Turnover Rate

Discrimination in the workplace can cause workers to leave a company and discourage new talent from applying for positions. This can lead to a less diverse and less skilled workforce.

Financial Risk

Consumer boycotts of companies that are alleged or found to have discrimination in their supply chains can lead to lower sales. Investors are increasingly applying ESG criteria in their decision-making, companies with low "social" performance may face divestment and avoidance by investors.

Legal Risks

Companies may be penalized if they do not meet such legal obligations of eliminating discrimination. Emerging global legislation targeting discrimination in value chains increases the legal risk for non-compliant companies.

¹⁹¹ <https://bhr-navigator.unglobalcompact.org/issues/discrimination/>



7.3 Management Practice Recommendations

First, infrastructure companies shall respect all relevant local and national laws. Any company that introduces measures to promote equality must know the diversity of languages, cultures, and religions in the workforce. Managers and supervisors, in particular, should strive to understand the different types of discrimination and how it affects the workforce.¹⁹² The following suggestions are for companies to address and eliminate discrimination in the workplace.

192 <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-6>

In the Workplace

- Institute company policies and procedures that use qualifications, skills, and experience as the basis for recruiting, placing, training, and promoting employees at all levels. Eliminate unconscious biases by recognizing them, implementing targeted training, providing safe spaces to discuss, etc.¹⁹³
- Ensure equal pay by collecting and analysing statistics in groups of positions, gender, performance, etc.; making use of collective bargaining; formulating a clear policy about promotion and pay.¹⁹⁴
- Assign responsibility for equal employment to a senior manager, issue clear company-wide policies and procedures to guide equal employment practices and link promotions to expected performance in this area.
- Evaluate on a case-by-case basis whether a distinction is inherent to a job and avoid applying job requirements that would systematically disadvantage certain groups.
- Maintain up-to-date records on hiring, training and promotions. The records should be transparent and can be viewed by employees.
- Conduct unconscious bias training for all employees, and especially for management level and the human resource department.
- Develop grievance procedures to address complaints, handle appeals and provide recourse for employees in cases where discrimination is found.
- Be aware that formal structures and informal cultural issues can prevent employees from raising concerns and grievances.
- Provide training to employees on nondiscrimination policies and practices.
- Develop programs to promote everyone's access to skills development training and to particular occupations.

193 <https://unglobalcompact.org/library/3261>

194 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_216695.pdf



Note: You can insert a picture/photo like this¹⁹⁵ to show women's strength. You Can also insert a picture/photo of people from different nations working together.

195 <https://www.istockphoto.com/photo/unity-and-teamwork-gm1053954950-281609870?phrase=woman+strength>

An Infrastructure Company Should Consider the Ratio of Men to Women in the Workplace

The infrastructure sector is famous for its lack of gender diversity. The ratio of men to women in the sector is much higher than in many other sectors. According to a report from a US university, 90 percent of infrastructure jobs in the country are held by men.¹⁹⁶ However, for many jobs, gender preference is not based on inherent requirements and causes gender discrimination.

Nowadays, a physical strength gap between men and women can be bridged by machines. Therefore, a majority of positions can suit both genders. Infrastructure companies should provide women with more job and training opportunities to reduce gender discrimination in the sector.

Case 7.2 A French Shipping Group's Gender Pay Index¹⁹⁷

The Gender Pay Index assesses the differences in pay between women and men through several indicators:

- the pay gap
- the increase and promotion gap
- increases after maternity leave
- the percentage of women in the ten highest-paid positions

Case 7.3 A Norwegian Energy Company's Gender Equality Practices¹⁹⁸

Equality in a Male-Dominated Industry

The company's focus on diversity started many decades ago when striving for gender equality in a **male-dominated** industry. Over the years, they have worked deliberately to increase the proportion of women in both operational and leadership roles. In the last several years, they have formalized their ambition for a diverse and inclusive company by setting a key performance indicator for diversity and inclusion at a corporate level and working even more systematically through their critical Human Resources processes, such as recruitment, succession planning, performance management, and leadership development.

- The company has set targets, including gender targets in the recruitment of

¹⁹⁶ <https://cew.georgetown.edu/cew-reports/infrastructure/>

¹⁹⁷ https://www.cmacgm-group.com/api/sites/default/files/2022-07/CMACGM_Rapport_2021_Web_UK_BAT_0.pdf

¹⁹⁸ <https://shecommunity.com/2021/03/05/equinor-the-winner-of-she-index-2021-in-norway/> <https://www.equinor.com/careers/our-culture>

graduates and apprentices into the company.

- The company has taken responsibility beyond borders by implementing minimum 16 weeks of paid parental leave, as well as flexible working arrangements.
- The company has set clear expectations to their partners - for example law firms, to have a high degree of equality and diversity.

Today, 47% of all teams in the company are counted as diverse.

The company aims for all teams to be diverse and inclusive by 2025. Diverse teams are balanced on gender but also experience, nationality, background, and age. Diversity fosters creativity, innovation, and new ways of thinking. Inclusion is also crucial, and the organization encourages everyone to feel comfortable bringing their entire selves and ideas to work.

So, how does a company as large as this company strengthen diversity and inclusion within the company?

- Strengthening diversity and inclusion starts with leadership commitment and role modeling.
- The company works to increase awareness of unconscious bias and on mitigating bias in business and people decisions.
- The company strives for gender balance in leadership teams on all levels and, in recent years, the proportion of women in senior leadership roles has gradually increased.
- Annually, the company measures both the overall diversity and inclusion level of all teams.

In 2021, the corporate executive committee of the company is gender balanced.

Case 7.4 An Extract from a French Construction Company's 2021 Universal Registration Document¹⁹⁹

As part of its commitments, the company seeks to promote equal opportunity and prevent all forms of discrimination in its businesses. To ensure the practical application of this policy, the company has created a network of inclusion and diversity coordinators totalling some 600 employees.

The commitment to promoting gender diversity - especially in management - was strengthened. The percentage of women in management positions was 21.6% in 2021 (24.4% in France), an increase of six percentage points in 10 years (15.8% in 2011). The

¹⁹⁹ https://www.vinci.com/publi/vinci/extract/2021_annual_report_extract-sustainability.pdf

gender equality index - rolled out internationally - is used by companies as a common tool to assess equal pay and access to promotion.

The company is also active in initiatives to encourage current and future female students to pursue professions in engineering and the company's areas of business, through its partnership with another organisation. Almost 700 female employees in France and internationally are engaged in actions to remove gender bias in the company's business sectors and professions.

Case 7.5 Extracts from a French Energy Company's Practical Guide of Sexual Harassment and Sexist Acts²⁰⁰

Whether we are in HR, an Ethics Officer, a Manager, a witness or a victim, we can do two things: prevent and act. As part of the Group's general health and safety commitment to staff, management plays a key role in risk prevention.

At this stage in implementing the guide, we recommend that local HR and Ethics Officers, under country management, or failing this, relevant Regional Hub supervision, implement the following actions:

Preventing

An upstream effort on the working environment and changing mindsets is how sexist acts and sexual harassment are prevented. In addition, a To achieve this, actions can be taken:

- **Raising staff awareness** (this awareness may come in various forms such as: memos, emails, posters, etc.)
- **Training management** who play a central role in fighting sexual harassment and sexist acts. This is a vital link in deploying a prevention policy and in detecting sexual harassment and sexist acts
- **Building internal and external communication that is devoid of gender stereotypes**
- **Proceeding with regular assessments** of how the issue is perceived by staff (barometer, investigations, etc.)

A "Sexism Referent" may also be designated. They will then become one of the key players in the approach, with the assignment of repeatedly informing all staff members of the mechanism put into place and the recourse available to them, directing people involved to the right contacts and supporting the people involved from the time their statement is collected until the matter is closed.

200 https://www.engie.com/sites/default/files/assets/documents/2022-05/ENGIE_BROCHURE-SEXISME_EN.pdf

The "Sexism Referent" may also take part in the recurring workshops held on the subject by the Human Resources department and the Corporate Ethics, Compliance and Privacy department.

Acting

Whether a witness or a victim of sexual harassment or sexist acts, it is important to act quickly. A number of solutions exist:

- **Report what happened**

You can make a report in French, English, Spanish or Portuguese. Messages written in other languages may be translated.

The contacts are: XXX

The confidentiality of any information collected must be guaranteed by the holders of this information. Alerts may be anonymous.

- **Be sure to react to reports** of sexual harassment or sexist acts
- **Ensure that investigations are always conducted** if a report is received
- **Ensure that sanctions** are taken against the perpetrator if the investigation proves their responsibility
- **Take charge of victims and follow-up matters over time**



Case 7.6 An Extract from a U.S. Energy Company's Policy on Equal Employment Opportunity and Affirmative Action²⁰¹

We are committed to the principles of equal employment and affirmative action for all qualified applicants and employees in all terms and conditions of employment. This policy applies to recruiting, hiring, promotions, compensation, employee benefits, transfers, layoffs, returns from layoffs, terminations, company-sponsored training, education, tuition assistance, and all other terms and conditions of employment. Supervisors' work performance is evaluated in part on their equal employment opportunity (EEO) efforts and results.

We are also an affirmative action employer and maintains affirmative action plans, procedures and practices to fulfill the objectives of this policy. The Company's EEO and Affirmative Action policy and obligations, includes the full support of the Chief Executive Officer. The most senior HR Executive is responsible for directing and monitoring the company's affirmative action program and designing and implementing audit and reporting systems that will keep management informed no less than on an annual basis of the status of the company's affirmative action program. We will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin as required by Executive Order 11246. We also will take affirmative action to employ, advance in employment, and otherwise treat qualified individuals with disabilities, disabled veterans, recently separated veterans, armed forces service medal veterans or active duty wartime or campaign badge veterans as provided in Section 503 of the Rehabilitation Act of 1973 and the Vietnam Era Veterans Readjustment Assistance Act, as amended. Applicants and employees will be requested to identify themselves as members of protected groups as part of the company's compliance with its affirmative action plan. Persons who consider themselves to have covered disabilities or veteran status may volunteer to have this information made a part of their employment record by informing Human Resources of the existence of any such disability or protected veteran status. Such information can be updated at any time and will be treated confidentially.

We forbid retaliation against any employee for reporting in good faith any violation of this policy. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire, and failure to give equal consideration in making employment decisions. Please immediately report any retaliation to the Human Resources Department.

Documents related to our affirmative action programs are available for review upon request in Human Resources on regularly scheduled workdays by advance appointment.

201 <https://www.valero.com/eo>



In the Community of Operation²⁰²

- Encourage and support efforts to establish a climate of tolerance and equal access to career development opportunities, such as adult education programs and health and childcare services.
- In foreign operations, companies may need to adapt to cultural traditions and work with worker representatives and Government authorities to ensure equal access to employment opportunities for women and minorities.

Case 7.7 An Extract from a Chinese Construction Company's Sustainability Report²⁰³

The company strictly abides by the relevant laws, regulations, and policies of the places where it operates its projects, follows international conventions on human rights and labor, insists on equal and standardized employment, firmly eliminates the use of child labor and forced labor, advocates diversity, prohibits all forms of employment discrimination, and achieves cross-cultural integration.

- **Advocating Diversity**

Throughout selection, employment, training, and retention, we implement diversity goals in all aspects, including nationality, gender, age, race, and religious beliefs of employees.

- **Focus on Gender Equality**

Ensure employment equity between men and women, continuously balance the gender ratio of employees, and focus on enhancing the career value of women.

- **Promote Cross-Cultural Integration**

Create a corporate culture of equality and respect, and promote cross-cultural integration of employees through various cultural activities.

Case 7.8 An Extract from a Chinese Clean Energy Company's CSR Case²⁰⁴

Over the past few years, the company has joined hands with a Malaysian Organization called Malaysian Women's Will to help disadvantaged women on their path to self-sufficiency and entrepreneurship through training programs such as the Entrepreneurship Development Program and Skills Training Program. The beneficiaries will learn financial management, marketing, promotion, and other basic life skills at the Malaysian Women's Will. In addition, each beneficiary has a business mentor for up to six months to ensure they have adequate support to develop a sustainable business.

202 <https://unglobalcompact.org/what-is-gc/mission/principles/principle-6>

203 <http://www.sasac.gov.cn/n4470048/n13461446/n14398052/n14398164/c14454766/part/14454777.pdf>

204 <https://mp.weixin.qq.com/s/lRaaOaleRkQqr-SzwaXIAQ>

Giving away delicious cookies and treats in Malaysia is popular during numerous cultural celebrations. In response, the company has offered baking workshops, inviting professional bakers to teach skills to disadvantaged women. The baking workshop has produced over 110,000 cookies in 4,500 production hours. The workshop also teaches skills such as gift basket packaging to increase sales.

On Eid al-Fitr 2019, the company purchased gift baskets made by the beneficiary women as Eid gifts for the company's Muslim staff and business partners. On the event day, 25 beneficiary women worked with the company's employees to wrap and decorate the gift baskets, fully demonstrating the skills they learned through the training program to generate income for their livelihoods.

Case 7.9 An Extract from a U.K. Financial Institution's Statement in 2020²⁰⁵

Preventing Discrimination and Harassment

Our commitment to respect human rights in the workplace is embedded within our Values and set out in global policy. We require that all of our employees treat colleagues with dignity and respect, creating an inclusive environment. We do not tolerate unlawful discrimination, bullying, or harassment on any ground, including age, race, ethnic or national origin, colour, mental or physical health conditions, disability, pregnancy, gender, gender expression, gender identity, sexual orientation, marital status or other domestic circumstances, employment status, working hours or other flexible working arrangements, or religion or belief.

Our employees are made aware of their employment rights through a variety of channels, including written employment contracts and policies, and procedures found in employee handbooks and staff websites.

Employees receive training on a variety of human rights related issues, including but not limited to: diversity and inclusion; bullying, harassment and racism; anti-money laundering; data privacy and bribery and corruption.

In 2020 we expanded the remit of our specialist team which oversees harassment cases, to include all cases of workplace bullying. Through this team, we apply globally consistent standards for how we investigate allegations of bullying and harassment.

Our oversight model identified themes in harassment cases, including personal relationships at work, workplace social events and social media communications and in response we updated our policies.

205 <https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2020/annual/pdfs/hsbc-holdings-plc/210223-hsbc-modern-slavery-and-human-trafficking-statement-2020.pdf?download=1>





7.4 Key References and Tools

References

Author	Name	Introduction
UN Global Compact	Principle Six ²⁰⁶	Introduction of the Principle on the UN Global Compact website.
UN Global Compact	Business and HR Navigator - Discrimination ²⁰⁷	Guiding companies worldwide to understand better and address human rights impacts in their operations and supply chains.
ILO	Equality at Work: The Continuing Challenge - Global Report Under the Follow-Up to The ILO Declaration on Fundamental Principles and Rights at Work ²⁰⁸	<p>The Report is divided into four parts.</p> <p>Part I provides a general overview of the impact of the crisis on specific groups of workers more vulnerable to discrimination. It highlights progress in ratifying and implementing the fundamental ILO standards addressing discrimination and considers general trends in key areas over the past four years.</p> <p>Part II elaborates discrimination on different grounds, including discrimination based on:</p> <ul style="list-style-type: none"> • sex • race and ethnicity • nationality and the case of migrant workers • religion • political opinion • social origin • hiv status • disability

206 <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-6>

207 <https://bhr-navigator.unglobalcompact.org/issues/discrimination/>

208 https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_166583.pdf

		<ul style="list-style-type: none"> • age • sexual orientation • genetics • lifestyle <p>Part III highlights programmes and activities undertaken by both ILO field offices and headquarters units at the national, regional and global levels which have achieved positive results and could be regarded as good practices and provide lessons for the future.</p> <p>Part IV recommends priority themes and areas, and appropriate strategies for future action by the ILO and its constituents.</p>
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Tools

Author	Name	Introduction
UN Global Compact	E-learning Mmodule ²⁰⁹	E-learning module developed by the UN Global Compact and International Labour Organization, to help companies understand the UN Global Compact Labour Principles and related concepts and best practices and share practical steps to take action.
UN Global Compact, UN Women, and IDB	WEPs gap analysis tool ²¹⁰	The Women's Empowerment Principles Gap Analysis Tool (WEPs Tool) helps companies identify strengths, gaps, and opportunities to improve their performance on gender equality.

²⁰⁹ https://academy.unglobalcompact.org/opencourses/learn/public/learning_plan/view/231/advancing-decent-work-in-business-through-the-un-global-compact-labour-principles

²¹⁰ <https://weps-gapanalysis.org/about-the-tool/>

UN Women	Equality Means Business (WEPs brochure) ²¹¹	This brochure aims to serve as a toolkit for Signatories at all stages of the WEPs Journey, from companies first learning about the WEPs to current Signatories looking to advance their work on gender equality and women's empowerment. The structure of this brochure follows the path of the WEPs Journey, with each section highlighting key steps and recommended practices for companies interested in joining the WEPs community. The brochure also supports current WEPs Signatories interested in re-activating their commitment and ensuring sustainable practices.
ILO and UN Global Compact	Guide for Business on the Rights of Persons with Disabilities ²¹²	This guide aims to help improve business understanding of the rights of persons with disabilities, including how to respect, support, and provide opportunities for them to be more competitive and sustainable, in line with relevant UN conventions and frameworks. The first chapter introduces the rights of persons with disabilities and explains how businesses can impact them negatively or positively in the workplace, marketplace, and community. It also highlights the positive impact that employing people with disabilities can have on a company's performance and sustainability. Chapter 2 suggests specific actions and measures companies can take to implement disability-inclusive good practices in the workplace, marketplace and community. Examples from companies around the globe are included for illustrative purposes.

²¹¹ https://www.weps.org/sites/default/files/2022-12/WEPS%20BROCHURE%20%28december%202022%29_0.pdf

²¹² <https://www.unglobalcompact.org/library/5381>

ILO	Promoting Equity - Ethnic diversity in the workplace: A Step-by-Step guide ²¹³	<p>This guide outlines the participatory process of drafting workplace policies to eliminate racial discrimination and embrace ethnic diversity in the workplace. The success of a workplace diversity policy depends on its effective planning. This guide provides step-by-step information on developing and implementing an ethnic diversity policy:</p> <ul style="list-style-type: none"> • Conducting an ethnic diversity audit • Drafting a workplace ethnic diversity policy • Implementing an ethnic diversity policy • Monitoring and reviewing an ethnic diversity policy <p>It covers all types of workers from different ethnic backgrounds, including refugees, asylum seekers, indigenous and tribal peoples and migrant workers, irrespective of their type of contract, such as seasonal workers and contract workers.</p>
ILO	Gender Equality: A Guide to Collective Bargaining ²¹⁴	<p>This guide provides material that can be used by women in collective bargaining to overcome sex discrimination and to obtain equal opportunities in the workplace. The guide offers helpful information and an excellent starting point for negotiation, discussion, motivation, awareness raising, training, education, interaction between employers and w, and alliances with other interested agencies/ networks.</p>
Sedex and Verité	Supplier Workbook Chapter 1.8 ²¹⁵	<p>This chapter clearly introduces "discrimination" and provides suggestions for companies to prevent and eliminate</p>

213 https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_base_code_guidance_-_child_labour_web_0.pdf

214 https://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_PUBL_9221105555_EN/lang--en/index.htm

215 <https://www.sedex.com/wp-content/uploads/2016/09/Sedex-Supplier-Workbook-2014-version-Web.pdf>

Ethical Trading Initiative	Base Code Guidance: Gender Equality ²¹⁶	<p>discrimination. It consists of the following sections:</p> <ul style="list-style-type: none">• The meaning of “discrimination”• Benefits of eliminating discrimination• Requirements by international norms• Practical steps of due diligence <p>This guidance consists of two parts.</p> <p>Part A sets out the rationale for addressing gender issues in supply chains. It provides an overview of the key factors affecting women in the workplace and how they are interlinked. In addition, it explains why gender equality is good for businesses, women, and wider society. It also outlines the challenges companies face in observing the principles enshrined in the ETI Base Code from a gender perspective. It illustrates how gender equality and justice are enablers of decent work.</p> <p>Part B provides specific guidance on addressing gender issues in supply chains. Presented as a roadmap, Part B explains how businesses can take a gradual and long-term human rights due diligence approach to the integration of gender equality considerations and women’s rights both within their own organization and in their supply chains. It also includes examples and case studies aimed at helping companies learn from the experience, lessons, and insights of other gender-related initiatives.</p>
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216 <https://www.ethicaltrade.org/resources/base-code-guidance-gender-equality>

About the UN Global Compact

As a special initiative of the UN Secretary-General, the United Nations Global Compact works with 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 UN Global Compact guides and supports the global business community in advancing UN goals and values through responsible corporate practices. With more than 24,000 companies signatories based in over 170 countries, and 70 Local Networks, it is the largest corporate sustainability initiative in the world.

The UN Global Compact is unparalleled in its ability to unite companies with every stakeholder group working to advance sustainable development, including the United Nations, Government, civil society, investors and academia. Together, through bold actions and collaboration between all sectors of society, we can end extreme poverty and hunger, fight inequalities and address climate change, ensuring no one is left behind.

Visit unglobalcompact.org to learn more.

About UN Global Compact “Sustainable Infrastructure for the Belt and Road Initiative to Accelerate the SDGs” Action Platform

Launched on June 16, 2020 during the UN Global Compact Leaders Summit, the Action Platform is designed to be the main mechanism for engaging companies operating in alignment of the SDGs under the framework of the Belt and Road Initiative. The Action Platform takes a sectoral approach to engage private sector players across major infrastructure sectors to ensure adoption of Global Compact ten principles in corporate strategy and actions to truly accelerate the SDGs.

For more information about the action platform and potential participation, please visit **BRI Action Platform**, or contact: bri@unglobalcompact.org

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.

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For more information, follow [@globalcompact](https://twitter.com/globalcompact) on social media and visit our website at 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.